United Nations A/60/125/Add.1–E/2005/85/Add.1*

General Assembly
Economic and Social Council

Distr.: General
25 January 2006

Original: English

General Assembly
Sixtieth session
Agenda items 57 and 130

Operational activities for development

Joint Inspection Unit

Economic and Social Council
Substantive session of 2005
29 June-27 July 2005
Agenda item 3
Operational activities of the United Nations for international development cooperation

Some measures to improve overall performance of the United Nations system at the country level (Part II)

Note by the Secretary-General

The Secretary-General has the honour to transmit to the members of the General Assembly the report of the Joint Inspection Unit entitled "Some measures to improve overall performance of the United Nations system at the country level, Part II". JIU/REP/2005/2 (Part II).

* Reissued for technical reasons.

05-51641* (E) 060206

JIU/REP/2005/2 (Part II)

Original: ENGLISH

SOME MEASURES TO IMPROVE OVERALL PERFORMANCE OF THE UNITED NATIONS SYSTEM AT THE COUNTRY LEVEL

Part II

Prepared by

Doris Bertrand

Joint Inspection Unit

United Nations, Geneva 2005

In accordance with Article 11.2 of the JIU Statute, this report has been "finalized after consultation among the Inspectors so as to test recommendations being made against the collective wisdom of the Unit".

CONTENTS

	Paragraph	Page
Abbreviations and Acronyms		iv
INFORMATION FOR THE READER		v
RECOMMENDATIONS FOR PART II		v
I. FOSTERING A CULTURE OF PARTNERSHIP FOR IMPROVED ANALYSIS, PLANNING, PROGRAMME IMPLEMENTATION AND RESULTS	1-29	1
II. SIMPLIFICATION AND HARMONIZATION OF PROCEDURES	30-67	7
A. The work of the OECD Development Assistance Committee (DAC)	35-44	8
B. The work of the United Nations Development Group (UNDG)	45-67	11
III. RATIONALIZING FIELD PRESENCE	68-108	15
A. For a clear and unambiguous role of the resident coordinator	68-92	15
B. Common premises and services - United Nations House	93-95	21
C. Establishment of joint offices and/or delegated cooperation and skills re-profiling	96-108	22
IV. MONITORING PROGRESS IN OPERATIONAL ACTIVITIES FOR DEVELOPMENT	109-111	25
V. MEASURES TO IMPROVE TRANSPARENCY REGARDING UNITED NATIONS SYSTEM OPERATIONS — ESTABLISHMENT OF WEBSITES	112-114	25
VI. FOR GREATER CONSISTENCY IN FUNDRAISING FOR EXTRA-BUDGETARY/ NON-CORE FUNDS	115-117	26
VII. FINAL REMARKS	118-120	27
Annex I Development Assistance Committee (DAC) 13 indicators of progress in harmonization and alignment		28
Annex II United Nations Development Group (UNDG) new tools and processes		29

ABBREVIATIONS and ACRONYMS

ACC	Administrative Committee on Coordination (now CEB)
BWI	Bretton Woods institutions
CCA	Common Country Assessment
CCPOQ	Consultative Committee on Programme and Operational Questions
CDF	Comprehensive Development Framework
CEB	United Nations System Chief Executives Board for Coordination (formerly ACC)
DAC	Development Assistance Committee (OECD)
DESA	United Nations Department of Economic and Social Affairs
EXCOM	UNDG Executive Committee
HLCM	High-Level Committee on Management (CEB)
HRM	human resources management
ICSC	International Civil Service Commission
IFIs	International Financial institutions
IMF	International Monetary Fund
JCGP	Joint Consultative Group on Policies (of the former ACC)
JIU	Joint Inspection Unit
NEX	National Execution
NGOs	Non-governmental organizations
ODA	Official development assistance
OECD	Organisation for Economic Co-operation and Development
PRSPs	Poverty Reduction Strategy Papers
TCPR	Triennial comprehensive policy review of operational activities for development of the United Nations system
UNCT	United Nations Country Team
UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDGO	United Nations Development Group Office
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UN-Habitat	United Nations Human Settlements Programme
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
WFP	World Food Programme
WHO	World Health Organization

INFORMATION FOR THE READER

Due to page limitation constraints, this report comprises two parts, the first of which deals with the history of reform of the United Nations with special emphasis on operational activities. Part II addresses the following issues and formulates recommendations to improve them:

- Fostering a culture of partnership for improved analysis, planning, programme implementation and results;
- Simplification and harmonization of procedures;
- Rationalizing field presence;
- Monitoring progress in operational activities for development;
- Measures to improve transparency.

Parts I and II are conceived to be read together. Each part contains its own recommendations. The Executive Summary is to be found in Part I of the report.

RECOMMENDATIONS FOR PART II

Recommendation 1 (see Part I of the report)

Fostering a culture of partnership for improved analysis, planning, programme implementation and results (see paras. 1-29)

Recommendation 2 (see paras. 5 and 8)

The General Assembly should mandate the governing bodies of the United Nations system organizations (funds, programmes and specialized agencies) to consider measures aimed at fostering a culture of partnership, in particular through:

a) Enhancing programme alignment with partner countries' priorities, systems and procedures, whenever possible;

b) Engaging themselves proactively in the elaboration and implementation of Poverty Reduction Strategy Papers (PRSPs) or equivalent processes, with a view to improving them further regarding a greater Millennium Development Goals focus, national ownership based on their comparative advantage and expertise, as well as on experience gained in the elaboration of United Nations instruments (such as Common Country Assessments (CCAs), United Nations Development Assistance Frameworks (UNDAFs) and national reports on the implementation of the Millennium Development Goals);

c) Ensuring that all these processes complement each other, with the aim of reducing transaction costs, most importantly for the partner countries;

d) Ensuring that where national development strategies[1] are in place, the improvement of the analytical and operational quality of such national instruments should be made a priority.

Recommendation 3 (see paras. 7, 9 and 13)

The Secretary-General should task the resident coordinators and/or sectoral lead agencies to ensure close and active involvement of all the members of the United Nations Development Group (UNDG), including those with little or no field presence in the work of the United Nations Country Teams (UNCTs).

[1] The term national development strategies includes poverty reduction and similar overarching strategies as well as sector and thematic strategies. This definition has been used in the "Paris Declaration on Aid Effectiveness", Paris 2005.

Resident coordinators should also be instructed to draw on the accumulated analytical experience and knowledge of the regional commissions and other policy oriented international, regional and sub-regional entities in the elaboration of CCAs and UNDAFs as well as PRSPs or equivalent processes.

Consolidating, over time, country specific instruments to ensure improved programme outcomes

Recommendation 4 (see paras. 14-19)

The General Assembly should request the United Nations system organizations (as represented in the United Nations System Chief Executives Board for Coordination (CEB)) to consider ways to achieve over time a 'single core country analysis' as well as a 'single comprehensive implementation plan' with partner countries.

This 'single core country analysis', which would consolidate the various country analyses and programme frameworks developed by each organization with the partner countries as well as those of the members of the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC), would cover all aspects of development and guide subsequent actions of the international development community (bilateral, multilateral and regional), based on respective comparative advantage. Because it would be nationally owned, it would also in the future ideally guide the work of non-governmental organizations (NGOs) and the private sector. This 'single core country analysis' would inform the national development/poverty reduction strategy. Furthermore, in adopting a comprehensive development approach the international development community should aim, over time, at elaborating a 'single comprehensive implementation plan' (business plan with results matrix) with the partner country which would be based on this single core analysis and the national development/poverty reduction strategy of the country. This should allow for a division of labour of the greatest number of external assistance providers in a given country, based on recognized comparative advantage. Such an approach should ensure predictability, transparency and accountability.[2] At all stages, the international development community should invest in the appropriate capacity building (such as for analysis, policy making and implementation), so that ownership can indeed be exercised by the partner countries.

For a joint statement of executive heads of United Nations system organizations to encourage improved partnership between United Nations system organizations, using incentives and rewards

Recommendation 5 (see paras. 21--26)

All executive heads of United Nations system organizations (as represented in CEB) should issue a strong joint statement tasking their respective staff to enhance "cooperation, collaboration and coordination, including through the greater harmonization of strategic frameworks, instruments, modalities and partnership arrangements",[3] and stating their intention to reward them for this effort.

a) Staff would also be called upon to proactively identify possibilities for joint initiatives within and outside CEB membership, with a view to increasing efficiency in programming for, and the implementation of, national development/poverty reduction strategies and the Millennium Development Goals;

b) The identification of opportunities to work together and of new partnership arrangements should be encouraged by the implementation of appropriate incentive and reward measures (comparable across all United Nations system organizations). Individual and team performance assessments should reflect this increased attention to a culture of partnership for better results;

---

[2] For rationale see also the report of the Joint Inspection Unit, "The results approach in the United Nations: implementing the United Nations Millennium Declaration", JIU/REP/2002/2, op. cit., Part Two: A. Reform of the United Nations and Recommendation 3.

[3] "Triennial comprehensive policy review of operational activities for development of the United Nations system", A/RES/59/250, 17 December 2004, para. 52.

c) All resident coordinators should in their annual reports inform CEB and UNDG of the UNCTs' responses to allow for appropriate discussion;

d) Executive heads should report on responses received from their staff to their respective governing bodies;

e) CEB and UNDG, as appropriate, should report to the Economic and Social Council and the General Assembly on the results of the above-mentioned joint statement. This would allow Member States to monitor progress and to observe greater coherence in subsequent decision-making on the matter.

Learning from each other: training and staff mobility

Recommendation 6 (see para. 27)

Executive heads of United Nations system organizations should identify and increase common training opportunities and make optimal use of the United Nations System Staff College.

a) Executive heads should direct their respective human resources management (HRM) units to increase common training opportunities, with a view to enhancing understanding of the diverse programming approaches and management for results cultures as well as other subject matters, with a particular emphasis on issues related to the development work of the United Nations system. This should allow the identification of possible further joint initiatives in areas such as analysis, programming and implementation but also simplification, harmonization and alignment, all of which are essential to enhance aid efficiency;

b) Training opportunities offered by the United Nations System Staff College in Turin should be better utilized and should be open to representatives of bilateral aid agencies, the European Commission, and representatives of the International Financial institutions (IFIs), as well as policy makers of developed and developing countries.

Recommendation 7 (see para. 28)

Governing bodies of United Nations system organizations should task the respective secretariats to speed up the identification of obstacles to staff mobility within the United Nations system, and elaborate and report back on solutions, in response to General Assembly resolution A/RES/59/266, Part VII, Mobility.

Recommendation 8 (see para. 28)

CEB, in cooperation with the International Civil Service Commission (ICSC), as appropriate, should formulate an appropriate incentive system for mobility which would build a basis for establishing a future United Nations system-wide career path, and report thereon to the substantive session of the Economic and Social Council and the General Assembly in 2007, also in the context of the Triennial comprehensive policy review of operational activities for development of the United Nations system (TCPR).

Simplification and harmonization of procedures: advancing the agenda (see paras. 30-67)

Recommendation 9 (see paras. 60-62)

The executive heads of UNDG organizations should explore the feasibility of further delegating authority to their field representation, and improving simplification and harmonization within the system in the areas described in paras. 60-62.

Authority would be delegated to field representatives in line with the approach adopted by the four UNDG Executive Committee (EXCOM) members (United Nations Development Programme (UNDP), United Nations Population Fund (UNFPA), United Nations Children's Fund (UNICEF) and World Food Programme (WFP)) and with a view to removing structural or other impediments to enable them to engage in more joint initiatives and partnerships with other organizations on the ground.

Recommendation 10 (see para. 66)

The General Assembly should invite the executive heads of the United Nations system organizations working in development to strengthen and formalize their links with OECD/DAC, with the UNDG office (UNDGO) playing an appropriate role.

To that effect they should extend a standing invitation to the DAC Chairman or his/her representative to attend all relevant meetings. The General Assembly and the Economic and Social Council should do likewise. This would ensure better information exchange and, ultimately, consistency in decision-making.

Recommendation 11 (see para. 67)

The executive heads of UNDG should report annually to their governing bodies on progress made in advancing the simplification, harmonization and alignment agenda.

a) In response to the commitments made in the Paris Declaration on Aid Effectiveness (2005), the reports would also indicate where organizations have been able to join the improved working arrangements of the four pioneering UNDG EXCOM members; when and in which areas they intend to join them; or to elaborate on the obstacles which prevent them from so doing;

b) The Economic and Social Council secretariat, in coordination with CEB and/or UNDG as appropriate, would provide annually to the Economic and Social Council and the General Assembly, a succinct report on progress made, to complement the reports made annually to the Economic and Social Council by the four EXCOM members.

Rationalizing field presence (see paras. 68-108)

For a clear and unambiguous role of the resident coordinator

Recommendation 12 (see paras. 80 and 86)

The General Assembly should de-link the functions of the resident coordinator and the resident representative of UNDP and change the designation process of the resident coordinator as explained in para. 86.

This would allow the resident coordinator to discharge fully his/her responsibilities and to establish a clear line of accountability to the entire United Nations development system, thereby ensuring full ownership of the resident coordinators by all United Nations system organizations. The "Guidelines on the Functioning of the Resident Coordinator System" should be amended accordingly.

Recommendation 13 (see paras. 87-91)

UNDG organizations should include in the performance appraisal system for the resident coordinator and UNCT an assessment of teamwork and horizontal cooperation.

Best practice in working together and enhanced teamwork should be reported back to the respective governing bodies and be rewarded. These incentive measures should be harmonized throughout the United Nations system.

Review of skills profile and grade structures of field staff

Recommendation 14 (see paras. 92, 101-103)

The governing bodies of UNDG organizations should invite the respective executive heads to undertake a review of the grade structure and skills profile of their field representatives and other staff, and report thereon also to the General Assembly and the Economic and Social Council.

a) The review of the grade structure of field representatives should take into account their responsibilities and accountability with a view to facilitating cooperation among UNCT members and to ensure consistency across the United Nations system. Grades of the respective representatives should be lower

than the grade of the resident coordinator, who should have the authority (linked to grade) to lead the team. Such alignment should be achieved over time and also take into account the country specificity. The governing bodies concerned should be kept informed about outcomes;

b) The skills profile of field staff and UNCT as a whole should meet the specific development needs of the partner countries, in line with the comparative advantage of the respective organization.

Towards establishing joint United Nations offices

Recommendation 15 (see paras. 96-100)

CEB should submit to the General Assembly and the Economic and Social Council the list of countries where it would be desirable, in programmatic and operational terms, to establish a joint United Nations office.

a) The review recommended in para.100, to be conducted in accordance with para.120 of the Secretary-General's report A/57/387, would provide information on whether and, if so, how much savings could be realized for the benefit of programming funds in the given country. A country so identified should be consulted on whether in principle a joint office would be acceptable;

b) CEB would report on the results of these consultations to the General Assembly and the Economic and Social Council in the context of the follow-up to the Secretary-General's reform and TCPR;

c) The General Assembly and the Economic and Social Council should ensure that this report, with comments and/or recommendations, is made available to the governing bodies of all concerned United Nations system organizations for appropriate decision-making and action.

Recommendation 16 (see para. 108)

The governing bodies of UNDG organizations should task the respective executive heads to examine ways to further rationalize their field presence.

This review would take into account the models used by bilateral agencies in the form of delegated cooperation, and 'lessons learned' from pilot projects, such as the United Nations Industrial Development Organization (UNIDO)-UNDP partnership, with a view to reducing transaction costs, and to report to them on results; it being understood that savings in transaction costs would increase available funds for programming for that particular country. UNDG should inform the General Assembly and the Economic and Social Council of the outcome of the review.

Monitoring progress in operational activities for development (see paras. 109-111)

Recommendation 17 (see para. 111)

The General Assembly should establish at its 60th session a "task force on operational activities" to oversee, support and monitor developments in operational activities as identified by TCPRs.

This " task force on operational activities" should be established on an experimental basis for two years, initially, to coincide with the TCPR cycle. As to the composition of this task force, its mandate and working methods, refer to the above-mentioned paragraph of the report. Such a task force would enable Member States to be better acquainted with inter-agency work during off-sessions, foster dialogue, accountability and transparency and allow for informed and consistent decision-making.

Measures to improve transparency-
assisting partner countries with the mapping of external assistance

Recommendation 18 (see paras. 112-114)

The General Assembly should request UNDG organizations to instruct each resident coordinator to set up, in cooperation with the partner countries, an in-country public website with comprehensive information on donor support and United Nations system presence.

To this effect, and with a view to increasing transparency, accountability and predictability for the benefit of Member States, resident coordinators should:

a) Assist partner countries in mapping overall donor support in their countries, drawing on the existing DAC database, and complementing it with information on additional sources of funding, such as those provided by NGOs and the private sector;

b) Gather information on United Nations field operations and system presence (structure, grades, skills' profiles, nationality etc.) in programme countries, along with any other relevant programme information, e.g., the category of expenditure, type of assistance and location.

For greater consistency in fundraising for extra-budgetary/non-core funds (see paras. 115-117)

Recommendation 19 (see para. 117)

CEB should set up an "inter-agency task force" to deal with the issue of fundraising for extra-budgetary/non-core funding.

a) Given that non-core funding impacts on programme orientation and coherence, such an "inter-agency task force" would allow for a systematic exchange of information, and proper planning and allow, wherever possible, for joint demarches especially in favour of joint initiatives in programme implementation in the field. This would also give a positive signal to donors regarding the United Nation systems' willingness to work together, increase transparency and diminish competition. The task force could help donor countries to establish consistent funding;

b) United Nations organizations could use this mechanism to advocate for predictability and sustainability as well as for simplified and standardized donor reporting.

I. FOSTERING A CULTURE OF PARTNERSHIP FOR IMPROVED ANALYSIS, PLANNING, PROGRAMME IMPLEMENTATION AND RESULTS

1. The relationship of the United Nations, its funds, programmes and specialized agencies, with the Bretton Woods institutions (BWI) which are members of the United Nations System Chief Executives Board for Coordination (CEB) and play a major role in development cooperation, has been a central issue of many reform proposals in the past.[1] Recommendations to change the existing architecture and institutional relations among United Nations system organizations with a view to arriving at a clearer division of labour have so far met with resistance. The challenge of the Secretary-General to Member States "to take a hard look at the existing 'architecture' of international institutions and to ask themselves whether it is adequate for the tasks we have before us"[5] has so far not been taken up, which indicates that institutional reform is not high on the international agenda.

2. The Secretary-General's reform of 1997 has, however, highlighted the need to bring all these institutions closer together. Since 1998, the Spring Meetings of the Economic and Social Council with BWI have provided an opportunity to discuss matters of mutual interest. The reforms of BWI, their adoption of a Comprehensive Development Framework (CDF), and furthermore the adoption of the Millennium Declaration by the entire international community as a globally accepted development agenda, have opened up new opportunities and are facilitating the central objective for all, that is, working together towards the eradication of poverty.

3. The Secretary-General, who would like to see the United Nations reassert itself "as a significant and independent player on the field of economic and social policies",[6] recommended that as "a global centre for innovative thinking and consensus-building, the United Nations should make maximum use of its analytical capacities to identify common problems and recommend solutions".[7]

4. The introduction of a poverty reduction process, initially promoted by BWI with the launch of the Poverty Reduction Strategy Papers (PRSPs),[8] affords an opportunity for the United Nations to contribute to making these processes genuinely nationally owned, and to assist partner countries in fulfilling their commitment to attain the Millennium Development Goals. The United Nations has a role to play as it is recognized that research and analysis on appropriate policies for poverty reduction have to be further developed, and the knowledge base on their impact on the poor increased. "The variety of competences and mandates of the United Nations system represents a unique source of support to country processes that could feed into the formulation and implementation of the poverty reduction strategy."[9] This, it is argued, is particularly true as regards human rights and gender issues, and the broader agenda of sustainable environment, which do not, at present, seem to be fully reflected in PRSPs and equivalent processes.

5. In an earlier report,[10] the Inspector argued that the United Nations, its funds, programmes and specialized agencies, should be more actively involved in the elaboration of PRSPs. These have been widely accepted by the whole development community "as a key national development framework, often becoming the main, if not the only, framework for national policy dialogue for the programming of domestic public expenditures, aid coordination and donor cooperation"[11] since they are results-based and comprehensive in approach. The guidance note of the United Nations Development Group (UNDG) on Country Teams' engagement in PRSPs[12] has assisted field offices to take up this challenge. The argument, however, remains

---

[4] See also Annex of Part I of this report.

[5] "Implementation of the United Nations Millennium Declaration", report of the Secretary-General, A/58/323, 2 September 2003, para. 91.

[6] Expression used by Louis Emmerij, Richard Jolly and Thomas G. Weiss in "Ahead of the Curve ? United Nations Ideas and Global Challenges", United Nations Intellectual History Project Series, Indiana University Press, 2001, p.144, which gives examples of the United Nations having influenced thought and practice in the past, especially in the area of development.

[7] "Renewing the United Nations: A Programme for Reform", report of the Secretary-General, A/51/950, 14 July 1997, para. 129: "The contribution of the United Nations is particularly important at a time of shifting paradigms in socio-economic development philosophy and thinking."

[8] Where the PRSP does not exist, the arguments used in this report apply to any other national strategy, or platform, that the government and the country recognize as the basic framework for a consistent development policy; see also in "Triennial comprehensive policy review of operational activities for development of the United Nations system, A/59/85-E/2004/68, 28 May 2004, para. 98.

[9] A/59/85-E/2004/68, op. cit., para. 102.

[10] "Achieving the universal primary education goal of the Millennium Declaration: New challenges for development cooperation", JIU/REP/2003/5, Recommendation 7 and paras. 93, 99, 115 and 142-143.

[11] A/59/85-E/2004/68, op. cit., para. 97.

[12] See Guidance Note of the UNDG on "UN Country team engagement in PRSPs", 30 August 2004.

valid, where, mostly due to capacity constraints, the involvement of the United Nations system in PRSPs (or equivalent national development/poverty reduction strategies) is considered to be uneven. **See Recommendation 2.**

6. In order to enable the United Nations Country Teams (UNCTs) to play a more proactive role in assisting partner countries shape PRSPs (or equivalent processes) along the lines identified in the independent evaluation of the World Bank,[13] it is important to ensure that the right, also inter-agency, skills profile[14] is available on the ground, and that UNCTs can draw fully on the expertise and knowledge available in the United Nations system, including from those specialized agencies which have little or no country presence.[15]

7. The argument is also valid in the case of the regional commissions. They have often made the case that they ought to be part of these analytical and planning processes and that UNDG should make the necessary arrangements to facilitate this. Repeated calls for the intensification of collaborative approaches to support country-level development initiatives have also been made in triennial comprehensive policy review of operational activities for development of the United Nations system (TCPR) resolutions.[16] **See Recommendation 3.**

8. Common Country Assessments (CCAs), which are the United Nations systems' common instruments for analyzing national development, focus primarily on human and social development concerns. Although improved due to updated guidelines and a quality support and assurance system[17] introduced by UNDG, they still do not sufficiently address environmental and economic issues (such as trade, investment flows and information communications and technology (ICT)), or the financial system of the country. These represent lacunae that have been addressed in an earlier Joint Inspection Unit (JIU) report (JIU/REP/2002/2). A stronger and, most importantly, more systematic involvement of all the CEB member organizations, especially of BWI, in the establishment of the CCAs would be of benefit. It would ensure the production of high quality standard CCAs, which would, inter alia, take better account of the macroeconomic and financial constraints of the partner countries, and their relevance to addressing social and human development problems.

9. **There remains indeed the major challenge to ensure optimal involvement of all the parts of the United Nations system which have relevant expertise** to offer in both CCAs and United Nations Development Assistance Frameworks (UNDAFs) to cover adequately the whole range of **country priorities that the United Nations system is able to support effectively**. This argues for arranging for a **better involvement of those normative and analytical or technical agencies not represented directly in the country, and whose important contributions for most part fall outside the operational priorities that dominate the work planning of UNCT**.[18] It remains to be seen whether the understandably

---

[13] "The Poverty Reduction Strategy Initiative - An Independent Evaluation of the World Bank's Support through 2003", by the World Bank Operations Evaluation Department (OED), 2004, The World Bank, Washington, D.C. Summary of Findings and Recommendations, page xiii, suggests changes to be made in three main directions: "Reduce or eliminate uniform requirements and foster better customization; encourage PRSPs to explore a wider range of policy options, including those aimed at enhancing growth; help define clearer partnership frameworks around PRSPs, with accountabilities for both countries and partners." (See http://www.worldbank.org/oed). See also the findings of DAC Results of the OECD-DAC Survey on Harmonisation and Alignment, Second Draft, dated 16 December 2004, Chapter I Overview of the Survey Results informs that "most countries had serious reservations about the operational quality of the PRSs." Other lacunae pertain to insufficient prioritization and costing of programmes. UNEP, in a commentary to this report in draft form, has made the case that PRSPs miss out on the Human Rights and Sustainable Development agendas and deplored the fact that environment is being addressed as a sector rather than a crosscutting theme in many such instruments. Of relevance also is: "Mainstreaming Poverty Reduction Strategies within the Millennium Development Goals: The Role of Public Administration" ECOSOC/CEPA, E/C.16/2003/5, 13 February 2003 and "Strengthening public administration for the Millennium Development Goals: a partnership-building approach", ECOSOC/CEPA, E/C.16/2004/5, 16 January 2004

[14] See also paras. 101 and 102 on the necessity to better adapt the inter-agency skills' profile at the country level to the developmental needs of the partner country and to devise methods to doing it.

[15] "The future of Multilateralism- A Way Forward in the Economic Development Field -A UNIDO Proposal to enhance system-wide policy coherence and operational effectiveness", Vienna, March 2004, is relevant in this context as it argues for the sharpening of the focus and deepening of the substance of the United Nations contributions in the field of economic development by means of voluntary coordination mechanisms in order to increase the critical mass and accumulation of knowledge at present scattered in the various United Nations organizations.

[16] This call has been repeated in the latest TCPR resolution of the 59th General Assembly, A/RES/59/250, para. 46.

[17] A/59/85-E/2004/68, op. cit., para. 87. These were introduced by UNDG to enhance the quality of CCA and UNDAFs through the establishment of 'virtual teams' organized at the regional level with the support of regional technical offices of UNDG EXCOM organizations.

[18] Issue raised in the Discussion Paper entitled "Towards a More Effective United Nations at the Country Level" for the CEB Retreat, 29 October 2004.

management-driven call for a strategic narrowing of the focus of UNDAF (to cover only 3-5 priority areas) is in fact the best way to engage all United Nations organizations adequately in this common strategic exercise.

10. The global sector mandates and the global and regional sectoral concerns, which are broader than those defined in the Millennium Development Goals and often go beyond those defined in PRSPs and UNDAFs, will have to continue to **find agency specific expression**. The challenge will remain on how to make the processes benefit from each other and at the **same time avoid duplication and transaction costs**.[19]

11. As regards **CCAs** it remains **necessary to continue to address the issue of how to improve quality and coverage, and how to go about the integration of those ancillary, special analyses and assessments that will necessarily have to continue to be undertaken by specialized agencies**. Could it be usefully envisaged that these specialized analyses should become a more important part of the current core CCA exercise, enriching its content and value while not obscuring and distorting the strategic thrust of the central element necessary for key planners and decision-makers to move ahead. Would it be useful to have these ancillary assessments presented at the same time as the core CCA? This would be more in line with the recommendation of the most recent TCPR resolution which, while underlining the "complementarity of the common country assessment to other analytical processes", calls on the "funds, programmes and agencies to avoid duplication by utilizing, to the maximum extent possible, the common country assessment as their own country-level analytical tool".[20] This issue needs further reflection and will have to stay on the agenda of both CEB and UNDG.

12. Fully using existing experience and knowledge would in the particular case of policy-related entities with no programmatic presence in the field **enhance the quality of analysis as regards normative functions and cross-cutting issues such as human rights and gender**, which are often missed out as the respective expertise, knowledge and skills are not represented in UNCTs. In the case of the regional commissions, it would ensure a **broader response to trans-boundary and sub-regional issues** such as transport, environment, regional trade and economic integration, which in the long term would also help to solve a range of social problems and contribute to poverty alleviation. **Regional commissions regret that trans-boundary and sub-regional dimensions in which they have expertise to offer are often missing in the work of UNCTs, many of which operate in isolation from each other**.[21]

13. CEB and UNDG members should therefore instruct their staff, especially the resident coordinators, to ensure the active involvement of regional commissions. In this context it could be useful to **convene meetings between the regional commissions and UNDP regional bureaus in conjunction with the regional meetings of resident coordinators.** This would provide a good opportunity **to better integrate the regional and sub-regional dimensions in the work of UNCTs and the resident coordinator system. See Recommendation 3.**

14. A considerable amount of time, energy and resources have been mobilized to establish CCAs. Other parts of the international development community, bilaterals, multilateral organizations such as International Financial institutions (IFIs), and regional organizations such as the European Commission, continue to prepare their own organization and country specific diagnostic instruments. The DAC has already deplored the **growth of these diagnostic products over recent years, the ensuing duplication of efforts and the lack of coordination in their use**. DAC has pointed out that this has led to high transaction costs both for donors and partner countries and absorbed resources that could be better used for programme implementation. It has therefore called on its members to share results of country analyses, to stop the proliferation of these diagnostic instruments, and to streamline and reduce their number by, inter alia, undertaking them jointly.[22]

15. **The proliferation of country-based diagnostic instruments, as well as planning and programming frameworks, pose a process overload problem, draining the capacities of the organizations and, most importantly, those of the partner countries, and even worse limiting their ownership.** Furthermore, strategy alignment has been advocated for many years since the conflicting policy

---

[19] A good example is the World Health Organization (WHO), whose country cooperation strategy defined with the partner country builds upon the existing instruments such as PRSPs and their equivalent national processes, CCAs, UNDAFs and the Millennium Development Goals.

[20] **A/RES/59/250,** para 48.

[21] This remark was made in the comments provided by the United Nations DESA and the regional commissions.

[22] DAC Good Practices Paper (Overview). A survey in 14 countries showed that there existed an average of 4.7 reviews per country with 38% of them being undertaken jointly.

advice being offered by different parts of the larger United Nations system[23] has been seen as disruptive to the government-owned development process.

16. It is, therefore, urgent for the international development community to initiate consideration with the partner countries of how to **consolidate the wealth of agency-specific country analyses** and implementation plans with a view to arriving **at "one single comprehensive core country analysis of high quality" and "one single comprehensive implementation plan (business plan with a results matrix)" per partner country, which could form the accepted basis for action for the international, regional as well as bilateral institutions. Such an approach would increase transparency and accountability, foster enhanced coherence, and eventually reduce transaction costs.** These new country-based instruments should also encourage consideration of transnational, trans-boundary, regional and international issues.[24] Such instruments could also facilitate the coordination of external actors by the partner country. However, it is important that all these institutions, as well as bilateral donors, have mutual trust and confidence in the professional quality and integrity of their respective work.[25]

17. **All such instruments should have a strong Millennium Development Goals focus. Genuine national ownership, participation and leadership should be sought at all stages in their preparation, which would guarantee alignment to the partner country's development needs**.

18. PRSPs, where they exist, have established themselves as broader frameworks for action (covering economic, financial, social and human development issues) and, despite the above-mentioned lacunae, hold the promise to at least form the basis of a single comprehensive development instrument, provided all actors of the international development community are working towards that goal.

19. If progress were to be made in the establishment of such **single comprehensive core country analyses and comprehensive implementation plans of high quality,** it would ultimately enable the United Nations system organizations to work on the basis of these new, commonly shared instruments.[26] The **Inspector recognizes that all this will take time but maintains that it is in that direction that the international development community ought to move in order to advance consistency, coherence and full national ownership**.[27] The attainment of the Millennium Development Goals will depend on the degree of commitment to making progress in this respect. It is with this understanding that **Recommendation 4**[28] has to be read.

20. In the preparation of this report, attention has been drawn to positive examples of inter-agency cooperation, such as the ongoing "Integrated Framework" involving the World Bank, the International

---

[23] Twenty-five years of development co-operation - a review, efforts and policies of the members of the Development Assistance Committee, OECD, Paris 1985.

[24] This is particularly true for health issues as has been pointed out by WHO. A telling example is polio. Polio elimination requires global action and significant commitment of resources even in countries where polio is not considered to be a major health issue.

[25] An interesting example of such a confidence building measure is the "A New Approach to evaluating multilateral organisations' performance" (November 2004), undertaken in the context of the DAC Evaluation Network, which is based on current and future performance information needs of bilateral donors, and carried both by a commitment to undertake more joint evaluations (also with multilateral organizations) and/or to take their evaluation results more and better on board. Key motives behind the initiative are: accountability, mutual learning, harmonization of standards, expanding the knowledge base, improving transparency and leveraging the capacity of larger evaluation units, and last not least, tapping the potential of lowering transaction costs. In order to enhance knowledge about other organizations and their working methods appropriate joint training and inter- and intra-organizational mobility ought to be organized.

[26] See Message sent by the Director of UNDGO, September 2004, referring to the latest generation of CCA and UNDAF guidelines (www.undg.org) as having taken on three key lessons learned from 2003. It is acknowledged that the "common country assessment and analytical work feeds into, rather than duplicates the relevant national priority setting processes (including PRSPs)" and that "it should therefore be prepared after the key PRS priorities have been established", that coherence with national processes and plans (including PRSPs) ought to be maximized with a flexibility given to UNCTs to change the timing and the length of the cycle (from 3 to 6 years). UNCTs are also given the opportunity" to find a 'less process-heavy' way to support the essential common country analysis, and to come to a strategic UNDAF results matrix".

[27] "Triennial comprehensive policy review of operational activities for development of the United Nations system", report of the Secretary-General, A/50/202-E/1995/76, 7 September 1995, Recommendation 25, para. 100 states: "In consultation and agreement with Governments, efforts by the resident coordinator system to promote harmonization between the country strategy note and the Word Bank's policy framework paper and the IMF's letter of intent should be encouraged. The operational conclusions of all three instruments should contribute to the improved dialogue on policy and substantive issues at country level. ..."

[28] This can only be achieved over time, as many adjustments will have to be made within organizations and also in relation to the partner country in question. As to rationale and modalities see also report of the JIU, JIU/REP/2002/2, op. cit., Part Two: A. Reform of the United Nations and Recommendation 3. The World Bank and UNDP have made calls on their staff to make optimal use of national analyses wherever possible and appropriate.

Monetary Fund (IMF), the World Trade Organization, the International Trade Center (ITC), UNDP and the United Nations Conference on Trade and Development (UNCTAD), which was established to provide trade-related assistance at the country level, in an integrated and coordinated fashion. Other examples of successful inter-agency cooperation are the SEED Initiative and United Nations Global Compact, which are said to be confidence building.

21. Coordination, cooperation and joint initiatives, where possible, have been called for in many resolutions not only between the United Nations system organizations but also within the wider CEB membership. Governing bodies and executive heads of the various United Nations organizations, funds, programmes and agencies have encouraged their secretariats to move in that direction. Individual executive heads of United Nations organizations have released statements to that effect to their staff, and some have signed joint statements to encourage cooperation and collaboration in the field.[29] The call has been heard by field staff, but not by all in the same fashion. Inter-agency understanding and agreements concluded at the headquarters level do not necessarily reach the field offices of each organization with the same emphasis, or lead to the same interpretations, as perceptions differ regarding the value attached to them. Individual agency instructions from headquarters invariably carry more weight than inter-agency/joint instructions as they lead to concrete action, promotion and other rewards. Furthermore, field offices, which are already often too busy implementing the agenda set by their own organizations, see calls for coordination and cooperation with others as an additional burden on them, with costs in both staff time and resources, and no direct relation to their career development.

22. Furthermore some such statements have been made in the context of system-wide coordination bodies such as CEB, some others in the context of UNDG. It would certainly add value and reduce transaction costs if **such statements on coherence and coordination could be concentrated into generic messages to be valid for all coordination levels**, as the messages would be stronger and have necessarily more impact on respective staff.

23. Hence it would be useful for **all the executive heads of United Nations system organizations, as represented in CEB, to issue a strong joint statement calling on their staff, especially in the field, "to enhance cooperation, collaboration and coordination, including through the greater harmonization of strategic frameworks, instruments, modalities and partnership arrangements"**[30] and to exploit the potential of joint initiatives, including joint programming wherever possible. Staff should be encouraged to proactively identify areas of further partnership arrangements within and outside this larger United Nations family, and to report annually thereon to their governing bodies. Resident coordinators would be asked to include in their annual reports any proposals for areas and opportunities for further harmonization, simplification of policies and procedures and, most importantly, for better alignment with partner countries' priorities, systems and procedures. This would help to give the field perspective more weight in subsequent decision-making. Such a joint statement would convey a renewed commitment to unity of purpose, not only as regards the United Nations organizations, but also the wider circle of CEB membership, including, most importantly, BWI, which have a large field presence and privileged access to partner countries' governments.[31]

24. This statement could become the basis of what could ultimately develop into a United Nations **joint mission statement** which could be made at, or in the aftermath of, the forthcoming General Assembly, both **to celebrate the 60 years** of its existence, and **to mark the five year review of progress to be made in the follow-up of the Millennium Declaration**. **At that occasion a vigorous pledge to enhance working together with a renewed commitment to making the Millennium Development Goals a reality would constitute an important message to the public at large.** Furthermore it would convey a genuine and emphatic **commitment to respond to the challenges identified by the High-Level Forum on Aid Effectiveness: Harmonisation, Alignment, and Results**, held in Paris on 28 February to 2nd March 2005.

25. With this statement, heads of CEB member organizations would send an unequivocally strong message that a step change is called for and that they expect the enhanced and proactive cooperation of their

---

[29] An example is the joint letter on "relationship between MDGs and PRSP", by Shengman Zhang (Managing Director of the World Bank) and Mark Malloch Brown (Chair of UNDG), 5 May 2003

[30] Wording used by the General Assembly resolution on TCPR, A/RES/59/250 paras. 52 and 50

[31] "Investing in Development: A Practical Plan to Achieve the Millennium Development Goals", United Nations Millennium Project, 2005. Overview, Fixing the aid system, 3 Recommendations for the international system to support country-level processes deplores that "the system lacks a coherent MDG-based approach to reducing poverty" and that "the United Nations agencies are frequently not well linked to the local activities of BWI and regional development banks, which tend to have the most access in advising a government since they provide the greatest resources."
website: http://www.unmillenniumproject.org/html/about.shtm

respective staff, especially in the field,[32] which they will recognize and reward. Each organization should inform its governing board on the responses obtained. **The responses should be discussed in CEB and UNDG and reported by them to the Economic and Social Council and the General Assembly.**[33] **This should allow Member States in the various organizations to monitor progress and to observe greater consistency in subsequent decision-making.**[34]

26. As stated CEB members should indicate that they are willing to **create incentives and rewards** for staff implementing these measures. For this to occur it is important that the human resources management (HRM) teams of the various organizations be instructed to design incentives and rewards which could be criteria for annual performance assessments and promotion, special awards, letters of appreciation, training opportunities, publicizing success etc.[35] **See Recommendation 5.**

27. **Cooperation and coordination need proactive encouragement by concrete measures such as training**. As it has been proven that readiness to work together is enhanced when all players have better knowledge of each others' policy environment, programme instruments and management for results cultures, it is suggested that the executive heads of the United system organizations should give instructions to their respective HRM teams **to devise common training opportunities, especially for field staff, with a particular emphasis on issues related to the development work of the United Nations system. Bilateral aid agencies and IFIs should be invited to participate. There should also be value in devising training opportunities for representatives of developed and developing countries in charge of policy making at national and international levels.** Training in matters of United Nations special expertise, such as sustainable development, human development, human rights, and gender (gender mainstreaming as well a gender equality issues) would be of mutual benefit, as these issues are not always given the priority attention in analysis, planning and implementation that they deserve. This would enable participants to learn from each other, to increase their knowledge about other organizations, to arrive at a better understanding of the perceived or actual obstacles to cooperation and also allow them to identify opportunities where simplification, rationalization of policies and procedures and their alignment to national processes is possible. Such training should help establish a common corporate culture. Optimal use ought to be made of the United Nations System Staff College in Turin. **See Recommendation 6**.

28. Training, as important as it is, cannot however replace the knowledge that would be acquired by staff permitted to work for another organization for a given length of time, be it on loan, secondment or on the basis of a time-limited work contract. **Creating inter-agency and system-wide mobility** will also help to identify suitable candidates for the resident coordinator function. It would also foster the building of a common corporate culture and a better understanding of the unity of purpose of the United Nations system which is the stated aim of the United Nations reform and key to its development work. CEB has already undertaken work in this area[36] both as regards inter-agency and system-wide mobility, which needs to be encouraged with a view to stepping up progress. **Obstacles to both mobilities should be reported to the respective governing bodies with a view to finding solutions and ensuring more rapid progress**. CEB and its machinery (Human Resources Network and the High-Level Committee on Management (HLCM) Working Group on Mobility), in cooperation with ICSC as appropriate, should work swiftly at creating an enabling environment, inter alia, by establishing an appropriate incentive system and **thus lay the basis for a future United Nations system-wide career path**. Progress should be reported to the substantive session of the Economic and Social Council and the General Assembly in 2007, also in the context of TCPR. **See Recommendations 7 and 8**.

---

[32] In line with recommendation of the United Nations Millennium Project 2005 report: "Investing in Development: A Practical Plan to Achieve the Millennium Development Goals", Overview, Recommendations for the international system to support country-level processes

[33] As foreseen in "Progress in the Implementation of General Assembly Resolution 56/210", report of the Secretary-General, E/2003/61, 9 May 2003, chapter I.4 Relations with BWI, paras. 47-52

[34] See "Report on Joint Programming", DP/2004/30-DP/FPA/2004/8, 12 April 2004 Summary-elements of a decision: " The Executive Board may take steps to foster an enabling environment for joint programming through: [...] (d) coherent, consistent messages regarding further progress on simplification and harmonization initiatives, from Member States as both members of the Executive Board and the respective governing councils of funds, programmes and specialized agencies."

[35] DAC has started work in this area, see Work proposal on incentives for harmonization in aid agencies (Note by the United Kingdom) Room Document 6/Rev.1 prepared for the Fifth Meeting of the Task Team on Harmonization and Alignment, held 6-7 July 2004. See website: http://www.oecd.org/department/0,2688,en_2649_15577209_1_1_1_1_1,00.html.

[36] "Baseline Survey on Inter-agency Mobility", CEB/2004/HLCM/19, 21 June 2004, "Measures to improve system-wide mobility", CEB/2004/HLCM/3, 12 February 2004. See also CEB/2004/HLCM/14 of 1 June 2004 and CEB/2004/HLCM/25 of 16 September 2004. One of the particularly noteworthy examples of a practical collaboration regarding a mobility issue (spousal employment) in which the United Nations Secretariat has participated has been the inter-agency project fostered by UNDG to establish expatriate spouse support networks in the field duty stations.

29. Another area in which strengthening the effectiveness of the United Nations in developing countries[37] must and can be achieved is the rationalization, harmonization and simplification of policies and procedures and, last not least, alignment with partner country systems.

II. SIMPLIFICATION AND HARMONIZATION OF PROCEDURES

30. Simplification and rationalization of procedures has been on the agenda of the international community for many years. It might be recalled that the landmark General Assembly resolution 32/197 of 1977 in para. 32 of its Annex asked that "measures should be taken to achieve maximum uniformity of administrative, financial, budgetary, personnel and planning procedures, including the establishment of a common procurement system, harmonized budget and programme cycles, a unified personnel system, and a common recruitment and training system". Restructuring measures, it is stated in para 28 (d) of the Annex, should serve to promote the achievement of, inter alia, the objective of "optimum efficiency and the reduction of administrative costs with a consequent increase in the proportion of resources available to meet the assistance requirements of recipient countries". The call to minimize the administrative and financial burden on recipient governments in their endeavors to effectively monitor and coordinate programmes and projects and to maximize complementarities and avoid duplication, so as to increase the positive impact of such activities on the development of developing countries, was subsequently reiterated.[38] Reading through this and other relevant resolutions one cannot but be comforted by the continuity of thought and the consistency of demand and at the same time be disappointed that it has taken decades to move the system forward, despite the fact that many of these resolutions were adopted by consensus.

31. For many years both the General Assembly and the Economic and Social Council have continued to deal with this matter.[39] The General Assembly TCPRs of 1989, 1992, 1995, 1998 and 2001 all reiterated the call for action and reforms in this area. The most ambitious and far-reaching of these was General Assembly resolution 47/199 of 22 December 1992 paragraph 33, where the General Assembly requested that the inter-agency mechanisms, at that time in particular the Joint Consultative Group on Policies (JCGP), should reach an agreement by 1 July 1994 on a common United Nations system-wide manual of procedures, meeting the requirements of the programme approach. All the formats, rules, procedures and periodicity of reports were to have been simplified and harmonized in order, inter alia, to promote national capacity-building, and as stipulated in paragraph 29, to "integrate external assistance from different sources into its development process". This request did not lead to any concrete follow-up,[40] as it was argued that this exercise was too costly and burdensome and not rational, given that not all agencies of the United Nations system were part of JCGP. It was felt instead that a common manual should be prepared through the formulation of separate guidelines applicable to the entire United Nations system in a number of areas in which agreement could be reached.[41] Resistance to change led to slow progress in the matter. The system-wide guidelines produced in the context of the then Consultative Committee on Programme and Operational Questions (CCPOQ) of the former Administrative Committee on Coordination (ACC) machinery (now CEB) have focused on "principles, concepts, modalities and approaches, and have only indirectly addressed specific procedures".[42]

---

[37] "Status of implementation of actions described in the report of the Secretary-General entitled 'Strengthening of the United Nations: An agenda for change'", report of the Secretary-General, A/58/351, 5 September 2003.

[38] General Assembly resolution 44/211, "Comprehensive triennial policy review of operational activities for development of the United Nations system", A/RES/44/211, 22 December 1989.

[39] See General Assembly resolutions 42/196 sixteenth preambular paragraph and para 19, A/RES/44/211, seventeenth preambular paragraph and para. 14, A/RES/47/199, para. 33, A/RES/50/120, para. 45, and A/RES/53/192, para. 31, and the Economic and Social Council resolutions 1999/6, para. 12. In relation to programming processes and project cycles, decentralization of authority, role of country office structures and executing modalities, see especially A/RES/42/211, para. 14. In the Economic and Social Council resolution 1998/27 of 28 July 1998 (para. 4), the executive heads of the United Nations funds and programmes, in consultation with UNDG, were to submit at the annual substantive session of the Economic and Social Council a concise consolidated list of issues that are central to the improved coordination of operational activities.

[40] A/50/202-E/1995/76, op. cit., paras.77 and following stated that: "the degree of harmonization still remains a problem" Recognizing that some progress has been made in delegating greater authority to field representatives, the degree of such delegation has not been harmonized and "wide discrepancies and disparities exist within the United Nations system. Additionally, the heterogeneity of rules, procedures and formats is retarding progress on important issues, such as coordination and programme approach. It also places an unnecessary burden on Governments." In Recommendation 17 it is suggested that the element for deciding on which rules and procedures to harmonize first should be the "burden they place on recipient countries". Recommendation 18 addresses the usefulness of a system-wide common manual and the schedule for completing it.

[41] "Progress in the implementation of General Assembly resolution 47/199", E/1994/64/Add.1, 25 May 2004, paras. 91-100.

[42] "Simplification and harmonization of rules and procedures for operational activities for development", E/2002/59, 14 May 2002, Part IV, para.10.

32. Renewed efforts to address the issue of enhancing ownership and capacity development through simplification and standardization of procedures were also made in the Development Committee in 2001[43] the United Nations Millennium Summit, the Monterrey Conference on Financing for Development and the 2001 and 2004 TCPRs.

33. As part of the broader agenda of improving the effectiveness of development assistance and thus contributing to meeting the Millennium Development Goals, heads of multilateral and bilateral development institutions and representatives of IMF, other multilateral financial institutions and partner countries gathered in Rome on 24-25 March 2003 and elaborated an agenda for further harmonization work in the **Rome Declaration on Harmonization**. The Rome Declaration makes it clear that the harmonization of operational policies, procedures and practices of all the above-mentioned institutions, with those of partner country systems, are key to further improving development effectiveness. There is a growing body of research and evidence that the great variety of donor requirements and processes used to prepare, deliver and monitor development assistance cause unproductive transaction costs which drain the limited capacity of partner countries and diminish the effects of development assistance. These procedures sometimes even disrupt national development priorities and bypass the national budget, programme and project cycle as well as public expenditure and financial management systems. The Rome Declaration made an urgent case for addressing these issues. The **Paris Declaration on Aid Effectiveness, 2005** reaffirmed the Rome commitments and reiterated its strong resolve to accelerate progress regarding ownership, harmonization, alignment, results and mutual accountability

34. This report looks at progress made so far and formulates recommendations to move this important agenda forward, especially in respect of the United Nations system. Fundamental work has been made in the OECD DAC, which, as it regroups the major bilateral donors and the European Commission, and also guides UNDG and BWI work, will be briefly reviewed.

A. The work of the OECD Development Assistance Committee (DAC)

35. The DAC established a Task Force on Donor Practices[44] in January 2001 to look at how aid could be delivered more effectively through simplifying and harmonizing donor procedures in **Harmonizing Donor practices for Effective Aid Delivery - Good Practices Papers: A DAC Reference Document** (December 2002).[45] It is based on a needs assessment established in cooperation with a broad range of developing partner countries representing various geographic regions and different levels of development. In the needs assessment, partner countries complained about the following burden, ranked according to their perceived weight: donor driven priorities and systems; difficulties with donor procedures; uncoordinated donor practices; excessive demands on time; delays in disbursements; lack of information; demands inconsistent with national systems and beyond national capacities. The initiatives suggested by the partner countries were consistent with their perception of these burdens, namely: donors should harmonize their procedures; align their procedures on partner systems; be more transparent; and simplify their procedures. These concerns were subsequently taken up in the above-mentioned **Rome Declaration** adopted by the **Rome High Level Forum on Harmonisation** in 2003, which indicated the way forward.

---

[43] "Development Committee Communiqué", April 2001. The Development Committee's 24 members, usually ministers of finance, represent the full membership of the World Bank and IMF. The Committee maintains an overview of the development process and advises the World Bank and the IMF Boards of Governors. Ministers stressed the importance of harmonizing operational policies and procedures by the World Bank, other multilateral development banks and bilateral aid donors. The Committee stressed the need to move more rapidly, while maintaining appropriate standards, to harmonize aid management arrangements, in particular to help low-income countries implement their PRSPs. Ministers noted that harmonization in individual country programmes provides a pragmatic approach that can lead to early action, and encouraged all development partners to rely increasingly on the borrower governments' own planning and budgetary processes. See also report "Harmonization of Operational Policies, Procedures and Practices: Experience to Date" (DC2001-006), 13 April 2001.

[44] DAC. For further information including the list of DAC Good Practices Papers, see website: http://www.oecd.org/dac.

[45] The participatory process included not only members of the DAC and its observers (World Bank, UNDP, regional development banks, Strategic Partnership with Africa (SPA) and the New Partnership for Africa's Development (NEPAD)) but also some developing countries. DAC replaced the Task Force, which had only a two year mandate, in April 2003 with a DAC Working Party on Aid Effectiveness and Donor Practices (WP-EFF) whose key topics for 2003-2004 were: the implementation of the Rome harmonization agenda; alignment of donor practices; capacity building in procurement; public financial management; aid untying; results measurement and monitoring and management. See "2003 Development Co-operation Report", OECD 2004, The DAC at Work, p. 117.

36. The **DAC Working Party on Aid Effectiveness**, which regroups bilateral agencies, the World Bank, IMF, the regional development banks, United Nations agencies and 14 partner countries[46] has become the "international focal point for work bridging from the Rome High-Level Forum to the successor the **Paris High-Level Forum on Aid Effectiveness: Harmonisation, Alignment, and Results**, hosted by the French Government in Paris, 28 February-2 March 2005, which led to the adoption of the **Paris Declaration on Aid Effectiveness**. The Declaration established targets for 2010 with a further review meeting to be held in 2008. It has been mandated to report, monitor progress, facilitate and support implementation of the commitments made in the Rome Declaration and "is working through five strands", as stated in the DAC 2004 Development Co-operation Report, which are as follows:

- A Task Team on Harmonization and Alignment;
- A Joint Venture on Public Financial Management;
- A Joint Venture on Management for Development Results;
- A Joint Venture with the World Bank to strengthen local procurement capacities in partner countries; and
- Oversight of progress on aid untying.[47]

37. Ministers and heads of agencies committed themselves at the **DAC High-Level Meeting in April 2004** to make "significant changes to the way [our] agencies and field offices manage the delivery of aid." Such a commitment was reiterated by the Ministers of the OECD countries, gathered at the OECD Ministerial Meeting on 3-4 May 2005 in Paris in the statement entitled: "Enabling Development-OECD statement to the follow-up of the UN Millennium Declaration and Monterrey Consensus." In the **Communiqué** of the October 2004 **Annual meeting of the IMF-World Bank Development Committee** ministers committed themselves to using the planned Rome follow-up meeting (the above-mentioned **High-Level Forum on Aid Effectiveness: Harmonisation, Alignment, and Results**) "to translate these [Rome] agreements into clear and specific commitments and timetables" and called for "the development of indicators and benchmarks to monitor the participation of all partners in this effort at the country level".

38. According to the DAC Journal: 2004 Development Co-operation Report, there are at present 60 partner countries and 40 bilateral and multilateral agencies working at harmonization and alignment activities. The report concedes, however, that "while the scope and geographical coverage of these activities is impressive, good practice has not yet become general practice". When measured against the DAC High-Level Meeting commitment in 2004 to make a step change "the progress made does not yet have sufficient momentum in applying good practice deeply and systematically".[48] This is shown, inter alia, by the results of a survey entitled **DAC Survey on Ownership, Harmonisation and Alignment** conducted by the DAC Task Team on Harmonisation and Alignment[49] in the associated 14 partner countries, on the basis of questionnaires built around 13 indicators and which reviews progress in the three key areas of the Rome High-Level Forum on Harmonisation agenda, namely:

1) Ownership: governments' ability to exercise leadership over their development programmes, partner countries set the priorities;

2) Alignment: the extent to which donor programmes support a partner country's development policies and use its systems and procedures, and thus align with country priorities and use of country systems;

3) Harmonization: the degree to which donors make common arrangements, share information and simplify their procedures.

39. The third key area, harmonization, concerns the relationship among donors. The 13 indicators[50] identified for these three key areas by the DAC Task Team on Harmonisation and Alignment are there also to guide work in the United Nations. They are already being used by some DAC donor countries to assess

---

[46] They are for Africa: Ethiopia, Morocco, Mozambique, Niger, Senegal Tanzania, Zambia (covered by the joint Strategic Partnership with Africa - DAC Survey); for Asia: Bangladesh, Cambodia, Kyrgyz Republic, Vietnam; for Latin America: Bolivia, Nicaragua; for the Pacific Region: Fiji Islands (see DAC website http://www.oecd.org/dac/).

[47] Richard Manning, "2004 Development Co-operation Report", DCD/DAC(2004)36/REV1, OECD 2005, Chapter 3, paras. 159 and following.

[48] Ibid., para. 162.

[49] Other sources which corroborate this assessment are mentioned in the "2004 Development Co-operation Report", para. 162 (information from the DAC country facilitation work, and information from other partner countries' harmonisation and alignment efforts consolidated by the World Bank).

[50] See Annex I of this report.

the performance of the multilateral organizations with a view to deciding on the level of their support to them.[51]

40. The Overview of the DAC Survey on Ownership, Harmonisation and Alignment shows that, despite considerable progress made by both multilateral and bilateral donors as regards the increased use of poverty reduction strategies or national development plans, difficulties remain concerning the alignment of external assistance programming with partner countries' priorities, including the flexibility to adapt to them as a result of reviews of poverty reduction and/or equivalent national processes. More critical is the observation that many donors use weaknesses in the country systems as a reason not to align, rather than a starting point for "targeted, harmonized capacity building set within a clear plan for graduated alignment behind country systems" which would be the optimal approach to adopt in such circumstances.[52]

41. Resistance to change in working methods seems to impact also on the ability of many donor agencies to work together, to share information, best practices and country analyses, and to engage in joint evaluation and monitoring. The apparent lack of willingness to share, or confidence in sharing country analytical work is to be deplored, as it could usefully enhance the analytical underpinning of national development/poverty reduction strategies or equivalent processes, which, as the Survey reports, still seems to be broadly insufficient. Better cooperation and synergies among donors and with the partner country would also help to increase their operational value,[53] as the lack of it seems to be one of the main reservations made in the Survey.

42. Other examples of a gap between commitments made at headquarter levels and their translation into action at the country level concern, surprisingly, what is called in the DAC 2004 Development Co-operation Report "easily harmonisable activities, e.g. undertaking joint analytical/diagnostic work, rationalising missions, minimising transaction costs for partner countries through delegated co-operation, and aligning their planning with countries' own budget cycles".[54]

43. Field visits seem indeed to enjoy unabated interest, as if confidence was more or less lacking and therefore constant individual agency monitoring a necessity. For the year 2003, Cambodia and Vietnam reported 400 donor missions, Nicaragua and Bolivia 289 and 270 respectively, followed by Bangladesh with 250, the Kyrgyz Republic and Tanzania with 230, Ethiopia and Morocco with 200, Senegal with 150, Mozambique with 140, Zambia with 120, and Niger with 90 donor missions. Fiji was visited 30 times that same year by its donors. In all these cases a small percentage constitute joint missions. This particular example is very telling as it shows that many donors seem to continue to work along established lines rather than according to DAC Best Practices: that they do not trust each other sufficiently; nor do they trust the partner countries, whose capacities are drained by constant monitoring. It also shows that the mechanisms of government ownership do not seem to be fully recognized by donors in these countries despite continued lip service to that effect. The record of streamlining diagnostic views seems equally to be rather poor, as is the one of disclosing information.

44. An important lesson to be drawn from this DAC Survey which still has not been fully learned is that there is a need and obligation to **invest in the partner countries' ownership by means of building the necessary capacities and transferring the appropriate knowledge and expertise,** especially in those areas that are most important to the harmonization and alignment agenda. These are recognized to be public financial management, budget formulation, execution and coordination of aid. The 2004 Development Co-operation Report, in para. 167, concedes: **"Donors need collectively to find ways to deliver and manage aid programmes that build rather than dissipate capacity."** If the donor community is truly committed to putting partner countries in the driving seat, it is in these areas that more efforts have to be undertaken. Needless to say the uneven track record of DAC members in the above-mentioned areas is not particularly helpful when bilateral donors will press for change in behavioural patterns in multilateral organizations and

---

[51] Some are indeed used by the Multilateral Organisations Performance Assessment Network (MOPAN) which was launched in 2002 and focused, in their 2003 Pilot Exercise on health. Selected organizations were WHO, UNICEF, the World Bank, and the regional development banks, such as the African Development Bank (AfDB), the Asian Development Bank (ADB) and the Inter American Development Bank (IADB). Members of this informal network of like-minded donors, which has been established to assess performance of multilateral organizations at the country level, are Canada, Denmark, Germany, the Netherlands, Norway, Sweden, Switzerland and the United Kingdom

[52] See also "2004 Development Cooperation report", para. 165, and
http://www.oecd.org/department/0,2688,en_2649_15577209_1_1_1_1_1,00.html

[53] "Overview of the Survey results", First draft, 12 November 2004, page 7, "As a result, the PRS typically do not provide a strong enough basis for performance assessment frameworks, or for making annual monitoring arrangements the centrepiece of a more effective national monitoring and reporting system"

[54] "2004 Development Co-operation Report", op. cit., para. 165

most importantly in partner countries. Therefore, it is not surprising to hear increasing calls that donors should submit themselves to the same standards that they seek from developing countries.[55]

B. The work of the United Nations Development Group (UNDG)

45. In 2002 the General Assembly, in resolution 56/201,[56] which could be qualified as the key resolution on simplification and harmonization efforts, asked the United Nations, its funds, programmes and specialized agencies, to give high priority to the simplification and harmonization of their rules and procedures, and to take concrete steps to reduce duplication and transaction costs for Governments and the United Nations. Those transaction costs which arise from a wide range of differing and complex procedures and requirements, placing a heavy burden on partner countries and the United Nations system should also be reduced. The purpose of the whole simplification and harmonization agenda, it is stated, is to increase the efficiency and effectiveness of development cooperation, to improve organizational efficiency and effectiveness, to facilitate its alignment to the needs of recipient countries, and to enhance its impact.[57]

46. The simplification and harmonization agenda would also enable the United Nations system to provide optimal support to countries to achieve the Millennium Development Goals as expressed in the national development and/or poverty reduction strategies.

47. The General Assembly recognized the specific responsibilities of inter-agency mechanisms in the above-mentioned resolution, such as CEB in para. 65 and the UNDG EXCOM in para. 62 and called upon them to "address the requirements for further simplification" and to "facilitate the definition of the ... agenda and its implementation" respectively.

48. Disappointed by slow progress and resistance to change, the General Assembly took it upon itself to clearly define the agenda and made the United Nations system accountable for producing concrete results. It requested "the funds, programmes and specialized agencies of the United Nations system ... to take concrete steps in the following areas: the decentralization and delegation of authority; the financial regulations; the procedures for implementing programmes and projects and, in particular, the requirements in terms of monitoring and reporting; the common shared services at country offices; and the recruitment, training and remuneration of national project personnel".[58] The General Assembly, in asking that the measures so identified be fully implemented by the year 2004, indicated that it attached importance and urgency to them.

49. Since then, UNDG EXCOM[59] has established its work programme and submitted it to the substantive sessions of the Economic and Social Council in 2002, 2003 and 2004.[60] This work programme is meant to include provisions to phase out redundant rules and procedures, with an indication of benchmarks, responsibilities and a timetable to monitor progress towards reaching this target.[61]

---

[55] See "Investing in Development: A Practical Plan to Achieve the Millennium Development Goals", the United Nations Millennium Project 2005, Overview, page 37, Table 4: Recommendations for reforming development partnership: "Donors should subject themselves to at least the same standards of transparency as they expect of developing countries, with independent technical reviews"; see also "Development Commitment Index" developed by Nancy Birdsall of the Center for Global Development, Washington, May-June 2003, published in Foreign Policy Review.
See http://www.foreignpolicy.com/story/files/story2540.php?PHPSESSID=7e0c14ed7cd3b2b1054993b30efeb87d

[56] "Triennial policy review of operational activities for development of the United Nations system", A/RES/56/201, 21 December 2001, Part VI: Simplification and harmonization of rules and procedures.

[57] Ibid., Part IV: Common Country Assessment and the United Nations Development Framework, para. 45 "urges the organizations of the United Nations system, when the common country assessment and the Framework are undertaken, to ensure that measures are adopted to simplify and harmonize country assessment procedures and programming so as to reduce transaction costs and avoid additional procedural requirements and workload for recipient countries and United Nations country teams."

[58] Ibid., Part VI, para. 60.

[59] EXCOM, a core group of UNDG, comprises the four funds and programmes that are directly subject to the authority of the Secretary-General, namely UNDP, UNICEF, UNFPA and WFP.

[60] "Consolidated lists of issues related to the coordination of operational activities for development, 2002", E/2002/CRP.1, 18 June 2002, E/2003/CRP.1, 2 July 2003, and "report on the Greentree Retreat", 6 January 2004, submitted as a Conference Room Paper to substantive session of the Economic and Social Council in July 2004.

[61] That process adopted a project approach in which a team composed of the focal points of UNDG EXCOM lead and facilitate the task of a working group. These focal points are in turn assisted by a reference group, which is formed by specialists of the various areas in question, such as administrative management, human resources and programme management. In surveying the differences as well as similarities in modalities and procedures that exist in the various funds and programmes, those that impede organizational as well as programme effectiveness and efficiency were identified, with a view to rationalizing and simplify them.

50. Extensive consultations were held in order to arrive at a work programme plan which would guarantee full commitment, and the largest buy-in, of all UNDG member organizations and their staff, particularly at country level. These consultations revealed a number of perceptions as to both opportunities and challenges but also apprehension about possible risks. It is useful to list these opportunities and challenges as a good measure of the work to be undertaken with a view to overcoming them. The simplification and harmonization agenda has to respond to them to be successful and Member States will have to take them into account in their decision-making.

51. **Among the opportunities and potential** identified by field respondents were:

- Creation of greater complementarity;
- Identification of key issues and establishment of common priorities where the United Nations system has a comparative advantage;
- Greater efficiency and effectiveness;
- Improved support to national efforts to achieve the Millennium Development Goals;
- Better image of the United Nations as a whole; and
- Improved transparency and accountability.

52. **Among the main challenges and risks** identified were:

- Loss in quality of situation analysis;
- Programme implementation is a function of the specific agency mandate, its strategy, its working culture, the history of its relationship with governments and civil society;
- Loss of flexibility and action-oriented approach at country level (as a consequence of the wide-spread perception that some agencies are less decentralized or are slower in implementation);
- Credibility might suffer because of lowest common denominator to prevail in joint programming initiatives, as well as perceived differences in accountability in the various United Nations system organizations;
- Programme cycles do not correspond with government cycles;
- Loss of rigorous monitoring of the use of financial resources by the recipient;
- Different financial monitoring systems;
- Different practices in monitoring and reporting on funds transferred to the government, the so-called Government Execution (NEX) question;
- Risks that common reporting formats would hinder resource mobilization from the private sector;
- Issue of agency visibility and nexus with fundraising potential;
- Limitation in advocacy and communication;
- Cost and benefit analysis of simplification and harmonization agenda;
- Different levels of computerization; and
- Greater interaction perceived as an additional burden on field staff already overworked with demands from their HQs and other coordination demands.

53. It has to be recognized that the reform process has initially led to an increase in workload both for headquarters and field staff, which has not been offset by a corresponding increase in resources. **Despite such constraints considerable progress has been made, especially regarding problem identification and the elaboration of guidelines and tools to address them. The challenge remains to implement them**.

54. UNDG and the United Nations Development Group Office (UNDGO) have been instrumental in putting the reform agenda into motion. The Secretariat (UNDGO) is hosted by UNDP and at present staffed by the various participating organizations through loans and secondments. According to "Who is Who in UNDGO", the Office has 41 staff members.[62] The funding requirement for the United Nations Country Coordination Fund (UNCCF) was, for 2005, US$ 1,721,045, with a planned increase to US$ 1,807,097 in 2006. It is interesting to note that the expenditures for simplification and harmonization, including field operations, is expected to decrease from US$ 1,480,000 in 2004, to US$ 905,000 in 2005 and to US$

[62] As of 15 March, 2005, UNGDO has the following staff: 4, including the Director, to serve UNDG and the Executive Committee; 4 for business functions; 9 for Policy and Global Quality Standards; 7 for Coordination Capacity Support; 8 for New UNDG Tools and Communications; 9 for Crisis and Post Conflict.

825,000 in 2006. This seems to indicate that instruments will be progressively in place and that the support needed to advance implementation will no longer necessitate the same level of resources.[63]

55. **UNDGO has elaborated an impressive number of new tools and processes** which have been introduced in the following areas:[64]

1) Programme planning: CCA, UNDAF Guidelines revised and issued in December 2003, including the UNDAF Results Matrix, Guidance Note on Joint Programming (December 2003) and Guidelines for the United Nations country teams preparing CCA and UNDAF in 2004 (October 2003);
2) Preparation and approval: harmonized Country Programme Documents and Country Programme Action Plans;
3) Programme implementation including financial modalities: harmonized resource transfer modalities, harmonized annual work plans;
4) Joint programming, clarification of the concepts and issues, new fund management modalities;
5) Monitoring and evaluation: UNDAF Monitoring and Evaluation plan and calendar; and
6) Reporting: standard donor reporting on programme and financial implementation.

56. The UNDG EXCOM Task Force has created a simplification and harmonization Tool Kit to address all the above-mentioned areas and has instituted a help desk to cope with problems arising and to clarify issues.[65] Information provided to the Economic and Social Council[66] distinguishes between tools which are to be used just once, and those which are applied throughout the programme cycle.[67]

57. **The four UNDG EXCOM members, UNDP, UNFPA, UNICEF and WFP, have been in the lead in taking up the challenges of simplification and harmonization, as laid down in the agenda of the Rome Declaration on Harmonization**. The UNDG EXCOM meeting in January 2004 was particularly successful in mapping the route for further progress. The UNDG EXCOM members have made use of the above-mentioned tools and introduced them together with the two new country programme management tools, that is Country Programme Action Plans and annual work plans in six 'roll-out countries'[68] in connection with a new UNDAF which started at the beginning of 2004. Following implementation in these countries, the new tools are expected to be introduced in 17 countries beginning in 2005, in a further 19 in 2006, and in 45 more in 2007.[69]

58. **Joint programming and implementation on the ground presents a major challenge as a variety of different programming and management approaches and procedures continue to exist across the United Nations development system.**

59. During field missions the Inspector was able to ascertain that field representatives were most willing to go beyond consultative processes, and to engage in more project and programme cooperation on the ground, based on their respective comparative advantages. It was indeed regretted that **integrated interventions in jointly selected zones** of poverty in the partner country (to be used as a pilot case for subsequent scaling up)[70] were rendered difficult, although such an approach was considered to contribute to enhancing the image of United Nations development cooperation. The dispersion of efforts coupled with restricted funding possibilities, it was stated, was preventing United Nations system organizations from demonstrating that they made a recognizable contribution and impact on the ground. Increased impact and results in turn would provide better arguments for the scaling up advocacy vis-à-vis the partner government.

---

[63] See "The United Nations Country Coordination Fund in 2003, Report to Donors", UNDGO, April 2004, Annex 3: 2004-2006 Funding Requirements.

[64] See UNDG website: http://www.undg.org.

[65] See, inter alia, MDGNet http://www.undg.org/content.cfm?id=80, GlobalNet (GlobalNet Digest) http://www.undg.org/content.cfm?id=844, DevInfo (based on UNICEF's ChildInfo, etc.).

[66] "Consolidated lists of issues related to the coordination of operational activities for development", E/2003/CRP.1, 2 July 2003.

[67] A description is provided in Annex II of this report.

[68] These are Benin, Ecuador, Kenya, Niger, Pakistan and Sierra Leone.

[69] The number of subsequent roll-outs keeps changing and might be different at the time of the publication of this report. It is therefore important to consult the relevant websites.

[70] See "Extension of water-related technical cooperation projects to end-beneficiaries: Bridging the gap between the normative and the operational in the United Nations system" (Case Studies in two African Countries), JIU/REP/2002/4, report of the JIU, Geneva 2002, Recommendation 6.

60. Considerable differences persist also in the structures and governance systems (as well as their management and programming approaches as alluded to above), all of which have evolved over years to respond to agency specific mandates and missions. This poses real challenges for project and programme cooperation on the ground. One important challenge, **concerns the degree of delegation of authority** from Headquarters to the field. **The four UNDG EXCOM members, that is UNDP, UNFPA, UNICEF and WFP are leading in this effort. They have already decentralized their operations** and transferred programme as well as financial authority to their field representations. It has been pointed out to the Inspector that UNICEF and WFP have achieved the greatest degree of decentralization, with great flexibility to adapt implementation to emerging and changing country needs and circumstances.[71] This has not been the case in other agencies, some of which have been encouraged by their governing bodies to retain such authorities at headquarters.

61. There still seem to remain differences among UNDG members as to their authority to commit and spend programme related budgets, after gaining governing bodies' approval, which impacts on both the capacity and speed with which they can deliver, and more importantly, engage in joint initiatives with other organizations on the ground. **The matter of delegation of authority is one, albeit important, issue in creating the enabling environment for joint programming.** Another one is, as has been pointed out,[72] "**support for common administrative procedures** in a joint programme, including convergence toward a common methodology for **calculating indirect costs for a specific joint programme**, fully realizing that these costs may differ between agencies as they reflect different cost structures among United Nations organizations". This matter needs to be given adequate attention by the respective governing bodies.

62. The **need to improve harmonization concerns, furthermore, cost recovery**[73] **and procurement,**[74] **as well as the broader issue of National Execution (NEX)** where, despite overall guidance provided by ACC-CCPOQ Guidelines on national execution adopted by the wider United Nations system in 1998, different procedures and terms still prevail in different agencies. New guidelines are being elaborated. In-country harmonization needs to be speeded up also with regards to **recruitment, remuneration and training of national project personnel, as well as the terms for contracting consultants** as this impacts on joint or collaborative programme and project delivery where the use of national project personnel is necessary. The system would gain from adopting a uniform conceptual approach to ensure equity in such personnel issues. It would indeed be difficult for the public, which, after all, finances official development assistance (ODA) through taxation, to understand why there should be several contractual modalities, with different levels of remuneration and conditions of service, used by different United Nations organizations for equivalent work. **The issue of the brain drain** of qualified nationals who leave government service for better employment in bilateral and multilateral aid agencies is an issue worth consideration. **See Recommendation 9**.

63. Despite impressive progress made there is still considerable effort needed to advance the simplification and harmonization agenda and to reap the benefits, ultimately in terms of reduced transaction costs. It is also an area where commitments have to be translated into realities on the ground. **Ensuring the widest possible and relevant buy-in of participating organizations and their staff**, especially in the field, remains a challenge and is key to further progress. UNDG EXCOM members have to invest themselves more, also in the CEB context, in demonstrating to their agency counterparts the **potential and the benefits to be derived from increased cooperation and prove the cost-effectiveness of adopting the simplified tools. They have to assist in finding solutions to agency specific and mandate-related problems. Donors should reward progress by increasing funding support**.

64. It should, however, be emphasized that **harmonization is not an end in itself, and** that every such process has its costs, especially in the start-up period, and also has limits. Therefore, the harmonization and simplification agenda should not become a doctrinal prescription for organizations which will derive only marginal benefits for their capacity to deliver. The nature of each organization's programme is different and country expectations as to their services at variance. **The process will always have to be evaluated in**

---

[71] This information has been provided by WFP, which referred to the authority given to their Country Directors to implement the Executive Board-approved Country Programme, as well as their and/or the WFP Regional Directors' authority, as the case may be, to change it within given food value upper limits to adapt it better to local needs.

[72] See "Report on joint programming", DP/2004/30-DP/FPA/2004/8, 12 April 2004, Summary.

[73] "Reporting of UNDP income from cost recovery", DP/2005/CRP.4, 10 January 2005, with options on elements for a more transparent reporting which explains in paras. 3 and following that UNDP's cost recovery policy is on average 3 per cent for programme country cost-sharing, and 5-7 per cent for third party cost-sharing and trust funds.

[74] See "Procurement practices within the United Nations system", JIU/REP/2004/9, report of the JIU, Geneva, 2004.

terms of efficiency gains for the particular organization and its partner countries[75] **and must not be allowed to become an end in itself. Processes are indeed only useful if they serve the substantive/programmatic purpose for which they have been created. Form must follow function and not the other way round**.

65. As substance is more difficult to be mastered, **the tendency in administrations is to let the processes become the results, which is dangerous** because the processes draw on resources that could be better used for programme implementation, and because it obfuscates the fact that the real results have not been achieved. Furthermore, it is important to **withstand the temptation to overuse blueprints and templates**. It is important that the right trade-offs be found between the usefulness of creating templates/blue prints that can serve the broadest possible membership of UNDG, and still observe the **principle of 'no one size fits all'**.

66. It would not be surprising to learn that for **some United Nations system organizations, engaging in joint initiatives with the international financial institutions, regional bodies (such as the European Commission) or bilateral donors would be of much greater relevance and importance than engaging with other organizations in UNDG**. Consequently, harmonizing with these bodies would seem to be of greater relevance. This aspect has to be taken into account. **Harmonization should therefore increasingly be placed in the much wider context of the international donor community, as represented in DAC, and increasingly aim at alignment** which is even more essential to increase aid effectiveness. Therefore, further **strengthening the links with DAC is pivotal**. As progress in that forum is of key importance to all UNDG member organizations, they should see to it that they be encouraged to play a more active part in the work of DAC than in the past. At present it is UNDP that acts as the link between OECD/DAC and UNDG. It would be worthwhile to consider having UNDGO play more than just the present support role. The Office should be asked to maintain a very close contact with the Development Directorate of OECD and act as a channel of information to all the other UNDG members, also to ensure optimal follow-up of the Paris Declaration on Aid Effectiveness. It is thus recommended to establish a more formal linkage with DAC. **To that effect the DAC Chairman or his representative should henceforth have a standing invitation to General Assembly and the Economic and Social Council Meetings (high-level segment as well as on operational activities), as well as to executive/governing board meetings of UNDG members, in order to ensure information exchange and consistency. CEB and UNDG should consider inviting the DAC Chairman or his representative regularly to attend relevant meetings. This would be mutually informative and foster further progress. See Recommendation 10.**

67. All the executive heads of UNDG, **not yet doing so, should report annually to their governing bodies on progress made in the simplification and harmonization agenda.**[76] They should indicate in which areas they have been able to join the simplification and harmonization working arrangements of the four pioneering EXCOM members, and in which areas and when they intend to join them, or, if they do not, to **elaborate on the obstacles which prevent them from doing so.** Such a debate **would usefully inform the Member States about the limits and costs of the exercise**. The Economic and Social Council Secretariat, in cooperation with CEB and/or UNDG as appropriate, should provide annually to the Economic and Social Council and the General Assembly, a succinct report on the state of affairs on the basis of these new progress reports which would complement the reports already made annually by the four EXCOM members to the Economic and Social Council. All these reports together would **inform Member States where and how to encourage further inter-agency cooperation, ensure consistency and coherence, and enable them to appreciate better the consequences of their decision-making. See Recommendation 11.**

III. RATIONALIZING FIELD PRESENCE

A. For a clear and unambiguous role of the resident coordinator

68. The origin of the concept of resident coordinator goes back to the "Tripartite consensus of 1970" (General Assembly resolution 2688 (XXV)) which conferred a coordinating and leadership role on the representative of UNDP. This was further elaborated and refined by successive resolutions, especially by the landmark resolution 32/197 entitled "Restructuring of the economic and social sectors of the United

---

[75] This concern as regards transaction costs in connection with coordination has found expression in para. 56 of General Assembly resolution on "Triennial comprehensive policy review of operational activities for development of the United Nations system", A/RES/59/250, 22 December 2004.

[76] That is UNDG EXCOM members, which are already reporting annually to the Economic and Social Council.

Nations" of 1977,[77] also in General Assembly resolutions 44/211, 47/199, 50/120, 52/203, 52/12 B, 53/192, 56/201 and most recently, 59/250 of 17 December 2004.[78]

69. The United Nations resident coordinator system is also regularly reviewed by the Economic and Social Council, which in many of its resolutions underlined the importance of that institution. In the Secretary-General's proposal for a continued and consolidated reform,[79] under the heading of "working better together," the Secretary-General defines the resident coordinator system as "the lynchpin of field coordination". The resident coordinator system was formally established in 1981. In resolution A/RES/56/201, Part VII, which is devoted exclusively to the resident coordinator system, the General Assembly reaffirmed that, within the framework of national ownership, it had a key role to play in the functioning of the United Nations system at the country level and that it was to be regarded as a key instrument for the efficient and effective coordination of the operational activities for development of the United Nations system. This has been repeated in A/RES/59/250, which in operative paragraph 54 "Urges the United Nations system to provide further financial, technical and organizational support for the resident coordinator system, and requests the Secretary-General, in consultation with the members of the United Nations Development Group to ensure that resident coordinators have the necessary resources to fulfil their role effectively."

70. Resolution 56/201 had already encouraged all the United Nations system partners, funds, programmes, specialized agencies and the Secretariat to enhance support to the resident coordinator system. This encouragement to extend support to the resident coordinator system was also directed towards IFI and other development partners. Resident coordinators were to interact more effectively and substantively with the government of the recipient country, as well as with civil society and other relevant stakeholders as appropriate. It further requested all organizations of the United Nations system, including those with no field representation and the regional commissions, to continue to improve and strengthen the resident coordinators through their support to and active participation in that system, on the basis of their respective mandates and in close consultation with the national Government. In the same resolution efforts to improve the system technically through broadening the pool of resident coordinators, improving their gender balance, and using competency assessments for their selection were encouraged, as were the implementation of improved staff training and annual performance appraisals.

71. A United Nations Country Coordination Fund[80] was created by UNDP to complement the Support to the Resident Coordinator Fund, which is provided from UNDP's core resources to enable the resident coordinators and the country teams to improve coordination at the field level.[81]

72. According to reporting by both UNDP and UNICEF to the Economic and Social Council,[82] considerable progress has been achieved in the implementation of this resolution. UNDP reported that it has redesigned and upgraded the resident coordinator assessment centre to reflect the need to improve the evaluation of candidates for the complex duties of a resident coordinator who is to lead United Nations reform processes at the country level and deal with complex crisis and post-conflict situations.[83]

---

[77] Paragraph 34 of the Conclusions and recommendations of the Ad Hoc Committee on the Restructuring of the Economic and Social Sectors of the United Nations System contained in the Annex of resolution 32/197 of 20 December 1977 stipulates: "On behalf of the United Nations system, over-all responsibility for, and co-ordination of, operational activities for development carried out at the country level should be entrusted to a single official to be designated taking into account the sectors of particular interest to the countries of assignment, in consultation with and with the consent of the Government concerned, who should exercise team leadership and be responsible for evolving, at the country level, a multidisciplinary dimension in sectoral development assistance programmes ... Subject to the requirements of individual countries, steps should be taken to unify the country offices of the various United Nations organizations"

[78] General Assembly resolutions 44/211 of 22 December 1989, 47/199 of 22 December 1992, 50/120 of 20 December 1995, 52/203 of 18 December 1997, 52/12 B of 19 December 1997, 53/192 of 15 December 1998, 56/201 of 21 December 2001, and 59/250 of 17 December 2004.

[79] "Strengthening of the United Nations: an agenda for further change", report of the Secretary-General, A/57/387 (and Corr.1), 9 September 2002.

[80] The UNDGO report to Donors informs that the actual expenditure in 2003 amounted to US$ 15,449,131 versus planned expenditure in the amount of US$ 19,656,500 out of which US $ 6,094,000 came out of UNDP core funds. Funding requirements for 2004, 2005 and 2006 are US$ 25,809,408, US$ 26,547,157, and US$ 27,880,973 respectively.

[81] "Operational activities of the United Nations for international development cooperation - Progress in the implementation of General Assembly resolution 56/201", E/2002/47, 14 May 2002, para. 20.

[82] "Annual report to the Economic and Social Council, Report of the Administrator of the UNDP", E/2004/4-DP/2004/12, 9 December 2003, and "Annual report to the Economic and Social Council, Report of the Executive Director of the United Nations Children's Fund", E/2004/3-E/ICEF/2004/4, 18 November 2003.

[83] The "Evaluation of the United Nations Resident Coordinator Assessment Centre", June 2004, made some recommendations which aim, inter alia, at developing and adopting standardized criteria across all agencies to guide the selection of candidates for resident coordinator assessment, adding value to the Resident Coordinator Assessment Centre, managing the resident

Management and leadership competencies were said to be aligned to these evolving needs and requirements. Gender and cultural considerations were apparently given due regard. Current and former resident coordinators were required to obtain successful assessments in order to continue in the function. The cost for an assessment is reported to be US$ 8,400. In the period 2001 to October 2004, approximately 255 people - of whom 56 per cent were from UNDP and 33 per cent were women - went through the resident coordinator assessments. About 50 per cent came from developing countries. As of November 2004, about 45 per cent of the 131 resident coordinators (including designates) were reported to come from developing countries. Around 26% of resident coordinators are from United Nations organizations other than UNDP.[84]

73. UNICEF reported three major challenges: "the gender and North-South balances; finding candidates with a development and humanitarian profile necessary for many emergency situations; and, in some cases, delays in getting government agreements; and finding solutions so that persons who have emergency and humanitarian expertise are not relegated to a career of non-family hardship postings".[85] **Coupled with the necessity to foster continuity in field presence this poses a real challenge for which both incentives and rewards have to be found**. Selection for a resident coordinator post of staff from organizations other than UNDP means a brain drain from these organizations, which UNICEF calls a "zero sum game" in so far as improvement in the diversity of the resident coordinator system may in fact result in decreased diversity in the nominating agency.

74. Resident coordinators are also UNDP resident representatives.[86] **This dual role or two hats syndrome has also been raised in an earlier JIU report: "Strengthening field representation of the United Nations System"** (JIU/REP/97/1), in which the potential conflict of interest and the ensuing threat to the impartiality of the resident coordinator was highlighted. Issues of "priorities and loyalties and distribution of time and effort within that context, are issues raised by non-UNDP officials".[87]

75. **Neutrality and impartiality might be perceived as being compromised** by the fact that the resident coordinator remains fully accountable to the UNDP Administrator for the UNDP programme in that country, even in cases where the day-to-day management of the UNDP programme has been entrusted to a UNDP Senior Deputy Resident Representative, where so warranted.[88] **Challenges to neutrality and examples of possible conflicts of interest** are posed by the fact that in many countries, UNDP administers funds from partner governments on a cost-sharing basis. While this creates a privileged relationship between the resident coordinator and that government, it may, strictly speaking, compromise his/her functioning as a neutral broker of the United Nations system. It might thus be argued that enjoying a privileged relationship with a government that provides cost-sharing funds to UNDP, may make it difficult for a resident coordinator to be an equally strong advocate in arguing for, or defending the mandated interests of other organizations, if these were challenged by that same government. The recent call of the General Assembly in resolution 59/250, para. 61, that resident coordinators be requested, when raising funds, to "concentrate on raising funds for the whole of the United Nations at the country-level" might pose further problems in reconciling the resident coordinator's duties under the two distinct responsibilities, i.e. resident coordinator and resident representative of UNDP. Another argument in favour of divorcing from UNDP the responsibility of coordination of the entire family of United Nations organizations, is that this might clarify accountability, which is otherwise blurred.

76. To fully comprehend the **current challenges facing a resident coordinator** it is useful to describe the responsibilities and tasks he/she is to perform. As outlined in the draft version of the resident coordinators profile [89] his/her functions are indeed very broad. The prime task is to ensure that the operational activities for development of the United Nations system at the country level are coordinated to maximize their cost-effectiveness and positive impact on the development effort of the country concerned. In addition, the resident coordinator is to coordinate the promotion of the United Nations goals within the

---

coordinator pool more effectively, reaching the diversity goal, clarifying resident coordinator selection governance, and, most importantly, strengthening selection transparency.

[84] "Report to the Economic and Social Council, Report of the Administrator", E/2005/4-DP/2005/13, 29 November 2004, paras. 28-32.

[85] "Report of the Executive Director of the United Nations Children's Fund: Annual report to the Economic and Social Council", E/2004/3-E/ICEF/2004/4, 18 November 2003, para. 20.

[86] "ACC Guidelines on the Functioning of the Resident Coordinator System", 1999, states in para. 8: "The RC is normally the UNDP resident representative, in accordance with the established legislation of the General Assembly" (General Assembly resolution 48/209, para. 4).

[87] JIU/REP/97/1, pages 11 and 16. The report gives the history of the evolution of the concept of resident coordinator and resident coordinator system and discusses problems connected with the dual responsibility.

[88] "ACC Guidelines on the Functioning of the Resident Coordinator System", op. cit., para. 18.

[89] These are laid down in the draft "Resident Coordinator: Job Description", August 2004.

country of assignment, and to ensure cohesion among all the activities of the United Nations system, both development-oriented and of any other nature.

77. Resident coordinators receive the letters of credentials from the Secretary-General whom they normally represent and to whom they ultimately report. The Secretary-General has, however, delegated the responsibility for the supervision and the administration of the resident coordinator system to the Administrator of UNDP.[90] UNDP provides the budget for the resident coordinators as well as for the bulk of the related support to the resident coordinator system. Non-UNDP staff are seconded to UNDP when they take up the assignment of resident coordinator and resident representative.

78. Apart from representing the Secretary-General in a given country, the resident coordinator acts as the designated official for security matters. Resident coordinators have furthermore been designated as the representative of the United Nations Programme on HIV/AIDS (UNAIDS) and the United Nations Fund for International Partnerships (UNFIP). In the capacity as UNDP resident representative he/she represents UNCTAD, United Nations Environment Programme (UNEP), United Nations Development Fund for Women (UNIFEM), United Nations Office for Project Services (UNOPS) and United Nations Human Settlements Programme (UN-Habitat). The resident coordinator can also act on behalf of other organizations not present in the field, if so asked by other United Nations organizations. In countries with humanitarian relief operations the resident coordinator is normally also designated to act as United Nations Human Coordinator. In June 2004, there were 20 such human coordinator of whom only one was not also the resident coordinator. In countries with significant political challenges the resident coordinator sometimes also assumes the role of the Deputy Special Representative of the Secretary-General (DSRSG).

79. In view of this increased burden on the resident coordinator/resident representative UNDP has started to appoint UNDP country directors to alleviate him/her from the day-to-day UNDP operations. It is envisaged by the UNDP Administrator that 20 such posts will be created in 2005, to cover cases of additional responsibilities, in terms of DSRSG functions and increasingly bigger programme countries, ultimately creating 40 such posts.[91] The most recent General Assembly resolution 59/250 on TCPR, para. 60, requests that UNDP appoint country directors to run its core activities, "especially in countries with large country teams, complex coordination situations or in situations of complex emergencies".

80. In view of the multi-dimensional and -functional work load of the resident coordinators, and for the reasons given above, **it is recommended that the functions of the UN resident coordinator be clearly de-linked from the function of the UNDP resident representative and his/her accountability clarified.** This means **support for the initiative of the UNDP Administrator to appoint UNDP country directors, but to extend this effort to all programme countries**. This will allay some of the real and perceived concerns that UNDP work hampers the necessary impartiality of the resident coordinator, who is challenged to be "strong, neutral, serving and representing all, a facilitator, able to link different functions and tasks, an enabler of synergy of the system so that the full strength of the system is captured and utilized, an authoritative repository of knowledge and socio-economic data on the country and its Millennium Development Goals 'status', able to guide the development of a United Nations Plan for each country, so that each agency knows how it fits into the larger picture and in response to national priorities". De-linking the coordinator role from the line management of UNDP is essential so as to distinguish between management support for the resident coordinator and the overall governance of the resident coordinator system.[92] **See Recommendation 12**.

81. In freeing the resident coordinator from his accountability to UNDP as regards matters of funding, programme and management of that organization he/she would be in a **better position to work effectively for the benefit of the whole UNCT and no longer be perceived to have a structural bias in favour of UNDP**.

82. Linked to but not dependent on his/her accountability is the question of where the resident coordinator is hosted and administered. There are historical reasons for UNDP to act as the host, manager and funder of the resident coordinator system, as initially it was UNDP that provided all the resident

---

[90] It might be useful to continue reflection as to the usefulness and feasibility of a more collegial supervision of the resident coordinator with a view to ensuring the fullest possible ownership by the United Nations development system as underscored by A/RES/59/250 in para. 59. This issue should remain on the agenda of Member States and CEB/UNDG.

[91] See Statement of the Administrator of UNDP, Mark Malloch Brown, to the Executive Board of UNDP and UNFPA, Geneva, 14 June 2004, as well as "Towards a More Effective United Nations at the Country Level", CEB Retreat, 29 October 2004, Greentree Foundation, New York, Executive Summary.

[92] Ibid. and Group III (Facilitator Louise Fréchette, Rapporteur Thoraya Obaid) para. 24. See also Group II (Facilitator James Wolfensohn, Rapporteur Peter Piot) para. 20.

coordinators. As this has changed and an increasing number of resident coordinators come from other agencies, it might be useful to **keep this current practice under review with a view to ensuring that it does not present obstacles to the ownership and broadest possible buy-in of all CEB members**, as this is of pivotal importance for the good functioning of the resident coordinator system. This **arrangement should be reviewed** from time to time **to ensure full unwavering support of the whole CEB (and UNDG) membership.** It would also seem **useful to discuss this matter with the partner countries as it impacts on the structure of the relationship and dialogue with United Nations organizations.** In any case the issue needs to be **addressed in terms of organizational, financial and development merits.**

83. There is no doubt that a good case can be made for UNDP to remain the host of the programme. The UNDP Administrator is obviously convinced that "the fundamental logic of UNDP as home and funder of the resident coordinator system remains as compelling now as it did when UNDG was created. ... UNDP with its universal country presence and broad development role remains the only realistic home for a system that has to relate at the centre of government, as well as across all ministries".[93]

84. **Ultimately it will be necessary to arrive at a solution which guarantees resident coordinators' independence from UNDP, maintains the right linkage with that organization, and last not least for cost-effectiveness reasons ensures the full unambiguous ownership of the whole United Nations system**. Feed-back from the broader membership of UNDG, in response to the decision made at the January 2004 Greentree Retreat of UNDG EXCOM members to enhance the formal authority of the resident coordinator in respect of the UNDAF results matrix and its implications,[94] is telling in this regard.

85. Some UNDG members expressed the **fear that conferring formal authority and accountability over the development and monitoring of the results matrix of UNDAF to the resident coordinator (at present normally the UNDP resident representative),** with the ensuing right to hold them accountable, would be tantamount to conferring authority and control over programme and project issues to the field, and furthermore (by implication) to the resident coordinator, who also happens to be the representative of another dominant United Nations development organization. This would, it is feared, erode the authority and responsibilities of the respective governing boards and executive heads for programme orientation and implementation, and shift authority from the respective headquarters to the field. **These fears need to be addressed in a clear and open fashion and should be taking place in the wider context of the whole CEB**. It also argues in favour of the recommendation in this report to clearly de-link the functions and accountability of the resident coordinator and the resident representative. The resident coordinator has to be accountable to the wider CEB if he/she is to command the full respect of all United Nations system organizations.

86. **While reflection on alternative arrangements as to management, housing and funding should remain on the agenda of the appropriate inter-agency fora, this report recommends that the designation procedures of the resident coordinator be changed**. At present the resident coordinator is designated by the Secretary-General, after consultation with the CEB members, and upon the recommendation of the Administrator. In order to ensure the broadest possible buy-in, it is suggested that **in the future such a recommendation for designation should come from the heads of the four UNDG EXCOM members, namely, UNDP, UNFPA, UNICEF and WFP, which traditionally also have a large field presence. The Secretary-General, it is recommended, should in the future designate the resident coordinator after consultation with all the members of CEB and upon recommendation of the four EXCOM members. The existing guidelines should be amended accordingly to reflect the new arrangement**. **See Recommendation 12**.

87. This goes also for the **performance appraisal in which all owners of the resident coordinator system,** that is all the United Nations system organizations (with or without programmatic presence at the country level) that have contributions to make, **should have a say**. The resident representatives of the various organizations of the United Nations system, programmes, funds and specialized agencies present in a particular country are called upon to report annually to their executive heads on the performance of the resident coordinator. Those entities with no programmatic presence in the field but which are represented by the resident coordinator, as well as those which rely on the resident coordinator to use their knowledge and

---

[93] Argument used in the Statement of the Administrator of UNDP, Mark Malloch Brown, op. cit.

[94] "Report on the Greentree Retreat", UNDG Executive Committee, 6 January 2004, pages 3-4, and the decision: "the RC be given more formal authority over the development and monitoring of the results matrix and that this authority should be exercised in close cooperation with national counterparts authorities. This enhanced authority is particularly important in ensuring a strategic focus to the UNDAF and to minimize pressures to include all interests of all agencies irrespective of their importance or relevance to country priorities. Disputes arising from the exercise of this enhanced authority would be referred to the relevant Regional Directors for resolution."

experience in the elaboration of nationally owned development/poverty reduction strategies and/or United Nations instruments such as CCAs and UNDAFs (headquarter units, regional commissions etc.) should be requested to assess the resident coordinator's performance relating to them and report thereon to UNDGO.

88. It is recommended that in the future such performance appraisals by **UNCT members to their HQs include, inter alia, special mention of all the results that can be attributed to the resident coordinator;** an assessment of the resident coordinator's leadership and coordinating skills; a description of any positive change in the relationship with the partner government, as well as with civil society representatives; examples of capacity building; and examples of a stronger participation of civil society and other stakeholders in the establishment of poverty reduction strategies (such as PRSPs or equivalent processes) with a view to strengthening national ownership. Particular emphasis should be placed on rating his/her performance as regards the quality of relations with bilateral donors and financial institutions, most importantly the World Bank and other entities such as the European Commission, as it is increasingly important to strive towards broader partnerships in the field. Concrete examples of where such interaction/cooperation or coordination has led to tangible results, as well as information on if and how the resident coordinator was instrumental in ensuring proper follow-up of Millennium Development Goals, internationally agreed action plans and goals of major United Nations and other international conferences etc., should be provided.

89. The performance appraisal should also include reference to achievements in the harmonization, simplification and alignment agenda, which might be attributable to the action of the resident coordinator. Examples should also be given to illustrate this in order to identify best practices, which warrant replication mutatis mutandis in other countries. In countries of conflict or post conflict/transition, the appraisal should reflect the particular skills deployed by the resident coordinator in question. Such an **overhaul of the performance appraisal** system would greatly improve feedback on the resident coordinator, the lack of which is to be deplored, as stated in a recent report of the Administrator to the Economic and Social Council.[95]

90. The resident coordinator, who should be entitled to have access to the content of the above performance appraisal should be **asked to report on the performance of the various United Nations system resident representatives and their teams,** and in the exceptional circumstances of the two extremes (excellent and bad), on individual members of these teams. Again, linkages with the structures of aid administrations outside the United Nations system should be included in such reporting and recommendations for improvement made, if necessary, indicating all the obstacles hindering better performance. Such descriptions should be supported by good examples. At present, agencies are being asked to base their appraisals on four basic elements: the annual work plan, achievements against the annual work plan as set out in the annual report, the format for resident coordinator performance appraisal, and the resident coordinator job description.[96]

91. **The performance appraisal system, if so enriched, would create an incentive to invest in cooperation and partnership, which should be recognized and rewarded by the various organizations. Any such recognition and incentive measures to be worked out should be harmonized between the organizations. See Recommendation 13**.

92. As rank still plays a great role in the United Nations, **it is important to align, if not harmonize, the grades of the various field representatives** which at present vary greatly from one United Nations organization to another, **in order to facilitate the task of the resident coordinator vis-à-vis the other UNCT members**. Differences in rank should in no way constitute an impediment to smooth cooperation. At present, field representatives of some specialized agencies, with limited programme funds, have higher grades than those of United Nations funds and programmes. CEB should give this issue priority attention as it impacts also on the credibility of the United Nations system in the field. **It is thus recommended that CEB initiates that the United Nations system organizations undertake a review of the grade structure of their field representatives, to bring them in line with their responsibilities and accountability, taking into account the particular partner country situation**. In order to provide the resident coordinator with the authority required, the grade of such a function should be in line with those of the other UNCT members; that is, the grades of the respective representatives should ultimately not be higher than the grade

---

[95] See E/2004/4-DP/2004/12, op. cit., para. 41. "Currently, performance appraisal of the resident coordinator is based on limited, inadequate feedback." Included is the description of the elements composing appraisal. "There is no feedback mechanism for assessing the contributions of individual members to the United Nations country team except for the resident coordinator. Other country team members are not recognized for their work in support of the United Nations system."

[96] The procedures for performance appraisal for resident coordinators and the rating system is contained in "ACC Guidelines on the Functioning of the Resident Coordinator System", 1999, chapter V.B, see also website http://www.undg.org/.

of the resident coordinator, who is to have the authority linked to grade to lead the team.[97] **See Recommendation 14**.

B. Common premises and services – United Nations House

93. Rationalizing field presence **aims at improving the effectiveness of the United Nations activities at the country-level and to free up resources currently deployed to maintain a variety of parallel country based administrative structures**. It can be argued that a more integrated administrative structure will foster a more integrated programme structure. Co-location of country team members should be able to improve on both. Launched in the 1997 Reform the "United Nations House initiative" is thus supposed to be one more element for increasing the efficiency and cohesion of the United Nations presence at the country level. The General Assembly has called upon the funds and programmes and specialized agencies to give priority attention to the issue of 'common shared services' in the field. These efforts are to aim at generating savings and efficiencies through economies of scale, increased bargaining power, enhanced transparency and accountability, better quality of services, and last but not least, at facilitating inter-agency coordination by creating better working relations within UNCT which affects in turn the cohesion and unified image of the United Nations system at the country level. The purpose of this initiative is to increase the number of common services available to the various United Nations organizations such as information technology, travel and banking services, car pools, procurement, administration of buildings as well as greater connectivity among UNCT members.[98] UNDG developed a programme in 2001 on a pilot basis. In order to assist field offices UNDG EXCOM has established a **UNDG Inter-Agency Working Group on Common Premises and Services** and a **New United Nations House website**[99] which provides a step by step model on how to establish United Nations Houses and a **United Nations House data bank**.[100]

94. Donor funding has allowed for training and backstopping which are essential to develop this initiative in more countries and to consolidate it in existing ones. The existing **Operational Guidelines on the Implementation of Common Services**[101] prepared by UNDG have been updated to take into account new developments. The number of United Nations Houses has been brought up to a total of 58. Cost savings are reported to have been realized in areas such as common reception, shared travel services with larger discounts, administration of buildings, communications and information technology and procurement (most notably fuel procurement). Enhanced quality and efficiency of services and a safer working environment constitute additional benefits.

95. Obstacles indicated by the Administrator in his report to the 2004 Economic and Social Council included, inter alia, "insufficient staff time and resources; lack of common premises; differing procedures and the need for further inter-agency cooperation and commitment".[102] Other questions raised by traditionally well-established United Nations organizations relate to hesitancy to relinquish well grounded links with long standing service providers in the country and to queries as to **cost efficiency of the operation as well as security concerns** which ought to be taken into account.[103] Considerable progress was made during 2004 as indicated in the Executive Summary of the "Report on Common Services Meeting", held in September 2004 in Bangkok, which agreed to a total of 24 recommendations, among them to making common services compulsory for UNDG Executive Committee countries, harmonize human resources policies, audit framework, financial terms and budget approaches, advocate for more participation by the specialized agencies and IFIs, and that HIV/AIDS in the workplace be made part of a mandatory common services arrangements.[104]

---

[97] An earlier JIU report of 1997 entitled: "Strengthening field representation of the United Nations System" recommended: "The Executive Heads of Agencies and Organizations [should] start a process of designating all 'Representatives' other than the Resident Coordinators as 'Directors' or 'Senior Technical Advisers' who would continue to advocate and promote activities related to their respective organizations' mandates but would be part of a team under the leadership of the Resident Coordinator."

[98] In 2001 a pilot programme was initiated in eight countries: Bangladesh, Ecuador, Kyrgyzstan, Philippines, Uganda, Yemen, Zambia and Zimbabwe.

[99] See website: http://www.undg.org/content.cfm?id=439

[100] See website: http://www.undg.org/content.cfm?id=728

[101] Dated 9 February 2004. See website: http://www.undg.org.

[102] E/2004/4-DP/2004/12, op. cit., para. 33.

[103] In some instances, such as in the case of UNESCO, host governments shoulder part of the running costs of the respective field office.

[104] "Report on Common Services Meeting", held in Bangkok, Thailand 27-30 September 2004. In the "Resident Coordinator Annual Reports 2003: A compendium of Good Practices-UNDG Response to TCPR 2001", page 25, the most frequently reported common services, in decreasing order, were: "Security services, IT web sites, virtual libraries and other IT-related

C. Establishment of joint offices and/or delegated cooperation [105] and skills re-profiling

96. Linked to, but not dependent upon, the physical availability of United Nations Houses is the initiative to establish joint offices. The idea of reducing overhead costs for agencies and transaction costs for governments has led the Secretary-General to recommend more use of the "joint office model".[106] This proposal challenges Member States to look in the longer term at "alternative models for its country-level activities" and to "explore different forms of United Nations presence at the national level" for improved United Nations system assistance to partner countries. An example proposed by the Secretary-General, while insisting on the "need to preserve the distinctive contribution of each United Nations agency", is to establish a joint office of the United Nations funds, programmes and specialized agencies in countries in which total United Nations financial and human resources are small. The host government would be asked to agree to establish "a common programme", for which the "United Nations would pool staff in a single office". In the medium-sized and larger countries United Nations funds, programmes and specialized agencies could cluster around thematic issues, with different 'host agencies' providing leadership along sectoral lines. The host agency would represent other entities of the system not present in the country. Financial, administrative and programme services could be provided by the host agency on a cost recovery basis.

97. The only countries in which the feasibility of establishing a joint office by UNDP, UNICEF and UNFPA, is currently explored are the Maldives and Cape Verde.[107] A senior advisor on joint offices has been appointed with a view to making the joint offices in the Maldives and Cape Verde a reality. It should be mentioned that the three UNDG EXCOM members have agreed to proceed based on a number of criteria including, most importantly, cost-benefit analyses.

98. **The Inspector is of the opinion that the 'joint office model' proposed by the Secretary-General should be extended soon to other countries**. This joint office approach should be primarily meaningful in smaller countries with low combined programming levels but also appropriate in advanced middle income countries where operations of the individual agencies are small and are expected to remain so in the future. The real incentive should be to realize savings from transaction costs generated by multiple United Nations organizations' presence in the field. Such savings should increase the funds available for country programming. At a time when poverty alleviation is the overarching preoccupation it would be difficult to argue in favour of maintaining an expensive multiple United Nations presence in the field, especially when programme funds do not see a notable increase.

99. In the spirit of the Monterrey Consensus which confers prime responsibility for development to partner countries, with the concomitant obligation of donors to assist them in that process, it is appropriate **to place the decision on whether or not to move towards establishing joint offices in the hands of the partner countries. Partner countries would have to be convinced that a United Nations presence, coherent and united in a joint office, would render them better service. Further, it must be the donor constituency that ensures that savings in transaction costs thus realized would truly augment programme funds.** If this were not the case, partner countries would probably argue for maintaining the status quo. The establishment of a joint office should be given serious consideration by those agencies whose costs for running a separate office in a given country exceed the amount earmarked for programming in that same country.

---

services, VSAT, library/document Centre, dispensary, travel services, procurement, communications, vehicle maintenance, garages staff transport etc, banking services. Other services such as conference room, cafeteria, insurance and contracts." The need to harmonize information technology systems in the United Nations organizations is seen to be key to making the common services arrangements in this area work.

[105] The silent partnership or delegated cooperation approach is being practiced by, inter alia, the Nordic countries, United Kingdom Government Department for International Development (DFID), the Netherlands, and Ireland Aid in Zambia; see Sweden's Action Plan on Harmonisation and Coordination in Development Cooperation, 19 June 2003. Delegated cooperation aims at "limiting number of local interlocutors and separate procedures by side-agreements with one donor to manage aid on behalf of others. Specific case of pairs of bilaterals e.g. Sweden-Norway" in Emerging Issues and Draft Annotated Outline for the Second High-Level Forum Report, 6-7 July 2004, para. 18. See website http://www.oecd.org/dac.

[106] A/57/387, op. cit., para. 120. The joint office model is an adaptation of the "one United Nations office" concept recommended in the "Nordic United Nations reform project 1996 in the economic and social fields", A/51/785, 27 January 1997. Executive Summary 1 (b) stated: "At country level, the integration of United Nations presence and activities in the economic and social fields should lead to a single, unified United Nations development system, which should be organized in one United Nations office."

[107] E/2003/61, op. cit., para. 36.

100. As the establishment of joint offices requires considerable lead time, **the CEB/UNDG should review the list of countries drawn up by the Joint Office Group where a joint office would make sense both in programmatic and operational terms from the United Nations perspective.** The resident coordinators in the countries identified should **consult with the respective governments to explore whether they would be interested in having the United Nations system establish a joint office over time**. The experience with the Maldives and Cape Verde should be taken into account. **The CEB/UNDG should report on the results of such consultations to the Economic and Social Council and the General Assembly in the context of the Secretary-General's reform and TCPR**, both on the positive responses as well as on the reasons given for refusal. **This information ought to be made available to all the governing boards of the United Nations system organizations, that is, funds, programmes and specialized agencies together with the reasons given for refusal. See Recommendation 15**.

101. Not necessarily linked to and dependent of but favoured by the establishment of a joint office would be the **skills re-profiling of the UNCT in a given country**. Establishing a joint office might indeed offer a useful opportunity to better tailor the United Nations system presence at the country level "to the specific developmental needs of the country in such a way that they correspond to ongoing and projected cooperation programmes rather than to the institutional structure of the United Nations".[108] With the CCAs, UNDAFs and its results matrixes, the Human Development Reports' (HDR) analyses, Millennium Development Goals Reports, as well as national development/poverty reduction strategies (PRSPs and /or equivalent processes) in place, it should be easier than in the past to **project the overall capacity needs of the partner country and the corresponding skills profile of the United Nations system at the country level to provide better substantive services to the country. Such profile assessment needs to be made at the individual agencies', as well as at the inter-agency level** with a view to the dovetailing of agencies' technical capacities and 'skills sharing'. The review or updating of these instruments, as may be the case, would **offer opportunities to examine, with the partner country, the relevance of the existing skills profile of each agency as well as of the cross agency skills profile**.[109]

102. With the decision to better implicate the regional commissions in country work, the establishment and increased use of the sub-regional resource facilities (SURFs) and/or regional service centres, as the case may be, the recognition of the value of increasingly using local expertise, growing interaction with BWI, the planned enhanced coordination with bilateral donors, it should be easier to **establish over time the appropriate skills profiles and skills mix of the United Nations Country Team. See Recommendation 14**.

103. In determining the UNCTs' skills profiles, full use should also be made of the possibilities of accessing knowledge networks and experience available at headquarters, as well as other United Nations centres of excellence (such as the United Nations Educational, Scientific and Cultural Organization (UNESCO) Institutes).[110] Gender mainstreaming and human rights are such areas which merit being given a higher profile in UNCT work in the future.[111]

104. Vacancy replacements should increasingly take into account not only the needs of the individual agency but also of those of the overall UNCT to ensure implementation of the UNDAF. In order to initiate effective forward-looking HR planning for UNCTs it is **recommended that HRM departments of the members of CEB (and UNDG), increase and improve their information exchange on UNCT staff planning as regards vacancies, replacements and retirements.** This would also allow opportunities for staff mobility to be identified as referred to earlier in the report.

---

[108] See "Triennial policy review of operational activities for development of the United Nations system", General Assembly resolution 47/199, 22 December 1992, para. 38 b. The most recent resolution on TCPR, RES/59/250 of 17 December 2004, para. 62, states again "that the country-level presence of the United Nations system should be tailored to meet the specific development needs of recipient countries, as required by their country programmes".

[109] In this context it has to be mentioned that a number of United Nations organizations have engaged in specific re-profiling exercises to better equip their staff to function in a changing environment such as UNIDO, UNDP, UNFPA, FAO and UNICEF, to mention a few. See "Effectiveness of the United Nations development system and its operational activities: capacity of the system to provide country level support and develop national capacities". Background paper for the Economic and Social Council Substantive Session of 2004, para. 39 and following. A recent evaluation report entitled: "UNICEF's Contribution to United Nations Reform and its Impact on UNICEF" by Steven Mendelsohn, Abby Stoddard and Alex Mackenzie, (UNICEF) September 2004, recommended that UNICEF review its capacity to engage in the PRSP process in terms of guidance, training and human resources.

[110] The UNCT skills re-profiling profile will in the near future also take into account the expertise available in other international organizations, such as the IFIs, with a view to arriving at a better division of labour based on comparative advantage.

[111] It is in these areas where UNCT work could benefit from the knowledge and skills available at HQ level, such as in the Division for the Advancement of Women.

105. The **grade structure should as far as possible be aligned in the United Nations system organizations (following the principle: comparable conditions - including grade - for comparable work)**. For the outside world and for the taxpayer contributing to the United Nations system budgets, it would be difficult to understand the existence and continuation of systems which do not allow for comparability across the United Nations system.[112]

106. The **joint office structure** would seem to be the most appropriate form **in countries emerging from conflict and countries in transition where the coherence of United Nations action is especially important.** There seems to exist overall agreement, that "[a] single coherent strategy for all United Nations System actors is imperative in transition contexts and should undergird political and operational synergies".[113] The working definition given for transition is: "For the United Nations, transition refers to the period in a crisis when external assistance is most crucial in supporting or underpinning still fragile cease-fires or peace processes by helping to create the conditions for political stability, security, justice and social equity".[114] **The Inspector believes that a joint office would be conducive to the establishment of such a single coherent strategy for all United Nations system actors.**

107. The **Inspector, thus, is of the opinion that coherence and consistency will be promoted through the establishment of joint offices and therefore recommends** action as described in paras 96-100. **See Recommendation 15**.

108. An approach that needs to be explored in the United Nations development system is **delegated cooperation** which is already practiced by bilateral agencies, the idea being that one bilateral agency looks after the developmental concerns of another country's development agency in a given partner country and therefore saves the cost of establishing its own structure. Such partnerships are being applied especially among the group of like-minded countries in DAC. This approach might be usefully explored for adaptation to the United Nations system. **Interesting in this context and holding potential for extension** is the recently established **UNIDO-UNDP Partnership** presented by the UNDP Administrator at the 2004 June Governing Board session. **Other innovative partnership arrangements** have been concluded by UN-Habitat and UNDP.[115] The purpose of creating these partnerships is to **find solutions to the issue of the overall adequacy of the United Nations field presence and the related expertise and technical capacity. The present different forms of presence at the country level**, whether with country offices, regional offices or networks of support including those from headquarters, regional commissions etc. and how they interact to the benefit of the partner countries and their effectiveness have to **stay under review**. **See Recommendation 16**.

---

[112] Rank structures among the United Nations system representatives are the subject of Recommendation 10 of this report.
[113] "Report of the UNDG/ECHA Working Group on Transition Issues", February 2004, page 7.
[114] Ibid., page 6.
[115] "Towards a more effective United Nations ...", op. cit., Executive Summary, p. 10.

IV. MONITORING PROGRESS IN OPERATIONAL ACTIVITIES FOR DEVELOPMENT

Establishment of a" task force on operational activities for development" to ensure the implementation of the TCPR resolution

109. The most recent General Assembly resolution on TCPR[116] recognizes in para. 43 "that, in spite of these efforts, participation of the funds, programmes and agencies of the United Nations development system in country-level operational activities for development and coordination mechanisms still differs in level, quality and intensity, and that for some organizations it is inadequate..." and in para. 36 "requests the funds, programmes and specialized agencies of the United Nations system to examine ways to further simplify their rules and procedures and, in this context, to accord the issue of simplification and harmonization high priority and to take concrete steps..." and in para. 34 "invites the governing bodies of all organizations of the United Nations system actively involved in development cooperation activities and their respective management to adopt harmonization and simplification measures, with a view to achieving a significant reduction in the administrative and procedural burden on the organizations and their national partners that derives from the preparation and implementation of operational activities". An earlier draft version made particular mention of streamlining procedures, avoiding duplication and waste, alleviating the burden of reporting requirements and reducing transaction costs of operational activities for development.

110. The resolution, in para. 46, provides also for follow-up as it requests the Secretary- General after a consultative process with the funds, programmes and specialized agencies of the United Nations system to submit to the substantive session of the Economic and Social Council in 2005 a report "on an appropriate management process, containing clear guidelines, benchmarks and time frames for the full implementation of the present resolution".

111. **It is important that Member States of the United Nations and of the various governing bodies be in a position to better follow-up the respective Economic and Social Council and General Assembly resolutions giving relevant guidance to the respective secretariats in their inter-agency work.** In order to allow Member States to fully discharge their responsibilities and to oversee, that is, to accompany, support and monitor the harmonization, simplification and alignment agenda and scrutinize its relevance, **it is recommended** that the **General Assembly establishes in 2005 a " task force on operational activities for development", initially on an experimental basis for two years** (to coincide with the TCPR cycle). The task force should be composed of the delegations, which provide the chairpersons (or vice-chairpersons) to the governing bodies of UNDG members. The OECD Development Cooperation Directorate (DCD) should be invited to participate in the meeting. Member States could consider inviting the delegations that provide the presidency of the General Assembly, the Economic and Social Council and of the Committee for Programme and Coordination (CPC). This " task force on operational activities for development" should meet up to three times a year in New York. The Department of Economic and Social Affairs (DESA)/UNDGO would report to it on progress made and obstacles encountered and how to overcome them. Task force members would take it up on themselves to inform their counterparts (chairpersons/vice-chairpersons) in the various UNDG Organizations. This would assist in preparing UNDG governing bodies for coherent decision-making. **It would also allow Member States to be better informed about inter-agency work during off sessions, foster dialogue, accountability and transparency**. **See Recommendation 17**.

V. MEASURES TO IMPROVE TRANSPARENCY REGARDING UNITED NATIONS SYSTEM OPERATIONS — ESTABLISHMENT OF WEBSITES

112. **Information on and predictability of funds and commitments is essential.** Disclosure of information of actual and planned aid flows is one of the indicators relating to donors streamlining their aid delivery. See Annex I on DAC indicators.

---

[116] A/RES/59/ 250, op. cit., part IV: Transaction costs and efficiency, paras. 34 and 36 and Part V: Coherence, effectiveness and relevance of operational activities, para. 43 and "Triennial comprehensive policy review of operational activities for development of the United Nations system", General Assembly draft resolution, A/C.2/59/L.28, 8 November 2004, part IV. Transaction costs and efficiency, para. 14.

113. Field visits by the Inspector revealed that comprehensive donor-related data is not always known by all parts of the recipient governments. As reported in another JIU report "it has proved difficult to obtain a single set of comparable and accurate data on the level and amount of assistance provided to education by the various actors".[117] In many countries data on external aid is scattered among different institutions. Also, development cooperation reports established by UNCTs, where they exist, do not always carry the latest and most complete information on all sources of funding. It is thus recommended that UNDG member organizations, and most appropriately the resident coordinators, **assist partner countries in mapping overall donor support in a given country, drawing on the existing DAC database but complementing it with information on additional sources of funding, such as those provided by NGOs and the private sector etc. This information should be placed on an in-country website, if possible in the respective national languages, which would also be open to the general public. Wherever possible additional information, for instance as regarding the category of expenditure, type of assistance and where it is to be used should be provided**. This would increase **accountability and transparency** in the spirit of the Monterrey Consensus. Technical difficulties could and should be overcome in cooperation with the DAC (OECD). **See Recommendation 18**.

114. In order to increase **information** about **United Nations system operations** in the partner countries, it is further recommended that the General Assembly requests UNDG organizations to assist partner countries in establishing a website, to be open to the general public, with information on United Nations system presence, its operations (with information on UNCT such as composition, skills profile, grades and nationalities). The resident coordinators should play the appropriate role. This website could be expanded over time to include other information such as is recommended in the preceding paragraph regarding external funding. Experience gained in some countries where such websites already exist should be shared so as to learn from best practice. Such websites would contribute to transparency and accountability and benefit Member States and the general public. **See Recommendation 18**.

VI. FOR GREATER CONSISTENCY IN FUNDRAISING FOR EXTRA-BUDGETARY/ NON-CORE FUNDS

115. Member States bear a great responsibility in the way in which they provide extra-budgetary/non-core funding to United Nations system organizations which can either contribute to bringing more cohesion to the system or be disruptive. It can be conducive to creating a coherent United Nations approach at the country level. It can foster cooperation or create competition and atomization. Donors often tend to favour funding for high-visibility projects, which is in contradiction with the call that United Nations organizations should work more and better together, and join forces in programme implementation which necessarily results in lessened visibility and lowering of the individual agency profile. Currently donors are delivering funding in a way that is not always optimal in supporting United Nations organizations in their attempts to arrive at a more coherent and consistent approach to development cooperation. The call for an increase in core funding thus needs to be made. It is indeed difficult for United Nations organizations whose regular budgetary means have not increased over the years to refuse tempting extra-budgetary funding for project activities, for which no core financing is available. For many organizations fundraising for supplementary/extra-budgetary/non-core funding is indispensable for financing innovative pilot projects and key to maintaining credibility in the field. In many partner countries, the image and credibility of an organization hinges on the amount of funding that it can bring to the country.

116. At present various United Nations organizations (and units) have to compete for funding, the former having established special fundraising/external relations units to that effect. This report argues for better cooperation in this domain. **These fundraising/external relations units should work increasingly together with a view to influencing the funding patterns of donors positively (bilaterals, private sector etc.) as regards extra-budgetary/non-core funds.**

117. It is thus recommended that **CEB consider setting up an inter-agency task force to deal with the issue of fundraising for extra-budgetary/non-core funding**. This would allow for a systematic exchange of information and proper planning and allow wherever possible for joint demarches especially in favour of joint programme implementation in the field. This would also give a positive signal to donors regarding the United Nation systems' willingness to improve transparency and diminish competition. It would also foster a more consistent and transparent process on the donor side. Most importantly it would allow the United Nations system organizations **to advocate for predictability and sustainability and also for a more**

[117] JIU/REP 2003/5, op. cit., para. 42 and Recommendation 2.

rational and simplified reporting system. The work of this task force could lay the ground for what could become in the future a consistent fundraising/external relations strategy for the whole United Nations system. See Recommendation 19.

VII. FINAL REMARKS

118. Looking at the coherence and cohesion of the United Nations system in development cooperation one cannot avoid looking at Member States' both in their roles as donors as well as recipients. **The main responsibility for coherence and cohesion of the system of development cooperation rests with Member States.** It is Member States, as represented in the governing boards of the various organizations of the United Nations system, which decide on the mandates, priorities, methods of work and implementation. It is also Member States which finance the administration of these organizations and provide funding (core and non-core resources). There is no doubt that the way in which donors provide funding to multilateral organizations can be conducive or disruptive to creating a coherent United Nations approach at the country level.

119. It is increasingly recognized that the bilateral donors, that is basically the 22 DAC members, which supply almost all the funding for an ever more complex international multilateral system that delivers around 30% of ODA,[118] have a key responsibility to bringing more coherence and consistency to their role as funders and directors of the United Nations development system. The decision-making in both the developed and developing Member States of the United Nations system, as regards direction in priorities and management, is often fragmented between ministries and departments. **Bringing more coherence and consistency to decision-making at home and in United Nations fora is key to any reform process.** If Member States are serious about improving coherence and consistency they will have to devote much more attention to this issue. This is a matter of credibility for the whole international development community.

120. ODA levels have increased, but not yet to the levels hoped for in the aftermath of the Monterrey Conference. Within these ODA levels, United Nations system organizations compete for funding depending on their strengths and comparative advantages as perceived by donors.[119] The best way to encourage progress towards **'unity and purpose'** of the whole United Nations system, which the reform process aims to achieve, would be for donors to increase their funding support on a predictable and sustainable basis.

[118] See footnote 4 of Part I

[119] See "Review of technical cooperation in the United Nations", A/58/382, 19 September 2003, for changes in donor funding practices paras. 49 and following.

ANNEX I

The **Development Assistance Committee (DAC) has developed 13 indicators of progress in harmonization and alignment** for the three key areas of ownership, alignment and harmonization as follows:

I. Ownership: Partner countries coordinate development assistance

Partner countries assume leadership role in the coordination of development assistance

1. Partner countries set their agenda for greater harmonization and alignment;
2. Partner countries lead national coordination processes;

Donors support partner countries' capacity to manage development assistance

3. Donors support partner countries' capacity to manage and coordinate development assistance effectively;

II. Alignment: Donors align with partner country priorities and systems

Development assistance is increasingly delivered in accordance with partner countries' priorities

4. Donors' country assistance strategies are aligned with poverty reduction strategies or equivalent national frameworks;

Donors rely on partner country systems and procedures

5. Budget support is programmed and disbursed in accordance with partner countries' priorities and budget procedures;
6. Project support is increasingly delivered through partner countries' systems and procedures.

III. Harmonization: Donors streamline aid delivery

Donors implement common arrangements for planning, managing and delivering aid

7. Donors clarify the circumstances under which they might suspend or adjust their support;
8. Donors support sector approaches in key policy areas;
9. Number of agreements on delegated cooperation;

Donors reduce missions, reviews and reports where appropriate

10. Number of donors' missions per partner country, of which joint donor missions;
11. Donors streamline diagnostic reviews;

Donors are transparent about their activities

12. Donors disclose information on planned and actual aid flows;
13. Donors share analytical work at country level.

ANNEX II[120]

United Nations Development Group (UNDG) new tools and processes

A. Tools to be used just once in the programme cycle are:

The **Common Country Assessment (CCA).**[121]

The **United Nations Development Assistance Framework (UNDAF)** with an increased link to the PRSP process.[122]

The **UNDAF results matrix**, which is similar to the log frame used by many United Nations organizations that which have adopted RBM systems, is used to establish the linkages between national priorities, the overall United Nations contributions and the contributions of each agency toward national development priorities. This results matrix uses a terminology that is consistent with the results-based terminology of DAC, which constitutes progress in itself.

The **Country Programme Document)**[123] was harmonized among the four participating funds and programmes (UNICEF, UNDP, UNFPA and WFP) in 2002 and contains a "'high level' agreement between agencies and governments on strategies, results, resources, and partners for each United Nations agency reflecting its contribution to the UNDAF".[124]

The **Country Programme Action Plan:** "The plan covering a UNDG EXCOM agency's cooperation over the course of its Country Programme." This is meant to replace the diverse United Nations agency country programme management documents. Once a country programme document is approved by the Executive Board, each agency will prepare a harmonized country programme action plan in consultation with its national partners, laying out in common format and terminology its country programme for the next five year cycle which will contain the details of the country programme and projects including the major results expected and the means towards achieving them, describe formal agreements on operational and management aspects and lay out programme management arrangements and respective commitments. The country programme action plan format, while being common to all agencies, "contains a series of agency specific mandatory articles and provisions governing the management of the Country Programme." The country programme action plan is signed by the United Nations agency and the government.

A **shared UNDAF Monitoring and Evaluation Plan** "provides an overview of monitoring and evaluation activities as they relate to the results at the national level by government, United Nations agencies, individually or jointly and, to the extent possible, other development partners. It focuses on monitoring and evaluating UNDAF outcomes and related Country Programme/Project outcomes and major outputs."[125] (As part of this Plan a UNDAF evaluation is foreseen which is a joint United Nations review, conducted with national partners, of the overall results at the beginning of the penultimate (4th) year of the UNDAF programming cycle.

---

[120] Note that all subsequent quotations, if not otherwise marked, are taken from the **Guidance Note on Joint Programming**, UNDG, 19 December 2003, Annex E: Glossary.

[121] Ibid. According to the Glossary, a CCA is "the common instrument of the United Nations system to analyze the national development situation and identify key development issues with a focus on the MDGs and the other commitments, goals and targets of the Millennium Declaration and international conferences, summits, conventions and human rights instruments of the United Nations system"

[122] See also two other JIU reports on the matter by the same author, JIU/REP/2002/2 and JIU/REP/2003/5, Recommendation 7. See JIU website http://www.unsystem.org/jiu

[123] See "Guidance Note on Joint Programming", Annex E: Glossary, p. 23. "A description of the proposed country programme of each UNDG EXCOM agency which is submitted to its Executive Board for approval." It states that "the priority problems to be addressed by the agency's programme of cooperation, outlines the programme components, how programme strategies will lead to expected results, and the resources needed"

[124] E/2003/CRP.1, op. cit., page 6

[125] "Common Country Assessment and United Nations Development Assistance Framework, Guidelines for United Nations Country Teams preparing a CCA and UNDA in 2004", October 2003. This revised guidance note, which benefited from input from country visits, comments from selected UNCTs and specialized agencies, as well as from agency specific reference groups and legal counsel, was finalized in December 2003, endorsed by all Programme and Management Groups- that is all UNDG members- enjoys the full commitment of UNDP, UNFPA, UNICEF and WFP, and has been sent to all UNDG agencies through the UNDG Chair.

Joint Strategy Meetings (JSM): will replace the four separate meetings with national counterparts to identify further opportunities for collaboration including joint programming and to "review and discuss consistency between the UNDAF expected outcomes and the substantive content of the respective country programmes"

B. Tools, which are intended to be used throughout the programme cycle in addition to those detailed above, are:

The **annual work plan** sets out "the activities which will be undertaken during the year in order to reach the results specified in the agency's country programme action plan". It will "include a timeframe, budget and responsibilities for completing the activities. They are signed by the United Nations agency and the (sub-) national Partner(s) implementing the activities." Annual work plans will thus provide the basis of planning requests for assistance, for reviews of progress made and for transfer of resources.

The **standard progress report** established and intended for use of donors as well as for partners provides for a common format with standard periodicity of reporting at a higher consolidated programme level. The document would lay out programme objectives, the mode of implementation, the resources used for implementation and the results obtained, in addition it would show the breakdown and usage of financial resources, by donor, with respect to all contributions. If applied this should allow for a considerable decrease of workload for partner governments, donors and United Nations agencies, ensure greater comparability, transparency and accountability. To derive maximum benefit from such a measure it is important that this standard be accepted by the largest possible circle of development cooperation partners, especially bilateral donors but also NGOs.

Resource transfer modalities: The EXCOM agencies UNDP, UNFPA, UNICEF and WFP have embarked on harmonizing their country level financial procedures, based on a common assessment of the financial systems of national partners. United Nations agencies working with the same national partner would use the same resource transfer modality. For joint programming several resource modalities have been worked out:

Parallel fund management[126] "[a] fund management mechanism where each organization participating in the joint programme manages its own funds, whether coming from regular or other resources." Each agency would manage and disburse its own funds.

Pass-through fund management: A mechanism where a donor(s) and United Nations participating organizations would provide funding through one single agency, called the administrative agent, selected by all participating organizations. The programmatic and financial responsibility and accountability would stay with the participating organizations and its (sub) national partners that would be managing their respective parts of the joint programme.

Pooled fund management: A mechanism whereby participating United Nations organizations pool funds together to one organization, called the managing agent, chosen jointly in consultation with the (sub national partner). United Nations organizations would thus fund the same activity with the same partner, and one agency would disburse funds on behalf of others.

Sector wide approach: "A method of working between government and development partners, a mechanism for coordinating support to public expenditure programmes, and for improving the efficiency and effectiveness with which resources are used in the sector." The revised Guidance Note on Joint Programming, December 2003, also addresses the link between joint programming and sector wide approaches. Sector support was one of UNDG's priorities for 2004 and continues to be so as more and more frequent calls are being made to the international donor community to resort increasingly to sector (and budget) support. A working group has been set up to guide UNCTs in this area.

[126] See "Guidance Note on Joint Programming", Annex I. Glossary. "A fund management mechanism where each organization participating in the joint programme manages its own funds, whether coming from regular or other resources."